

provincial treasury

Department
Provincial Treasury
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

EXTERNAL NEWSLETTER

FINANCE TALK

APRIL - JUNE EDITION

2025/26



LEAVE NO
ONE BEHIND



EDITORIAL COMMENT

The North West Province stands at a critical juncture in its developmental journey, as evidenced by the comprehensive budget and financial management initiatives outlined in recent provincial communications. While the province faces significant fiscal constraints and service delivery challenges, the strategic approach being implemented offers a roadmap for sustainable recovery and growth.

The re-tableing of the 2025/26 Provincial Budget, totaling R55.798 billion, reflects both the province's commitment to transparency and its ability to adapt to changing national circumstances. MEC Kenetswe Mosenogi's acknowledgment of "fiscal constraints and weak economic outlook" demonstrates the kind of honest assessment necessary for effective financial management.

Rather than making unrealistic promises, the provincial government has chosen to work within the constraints of available resources while maintaining focus on essential service delivery.

The budget allocation reveals a clear prioritization of core services, with Education receiving R22.895 billion and Health R17.040 billion—collectively accounting for over 70% of the provincial budget. This demonstrates a commitment to human capital development, even in difficult economic times.

Perhaps the most significant challenge facing the province is the financial distress of its municipalities. The deployment of Provincial Executive Representatives to ten distressed

municipalities, including major centers like Madibeng and the City of Matlosana, signals the seriousness of this crisis. However, the structured approach to Financial Recovery Plans encompassing rescue, stabilization, and sustainability phases provides a clear framework for municipal rehabilitation.

MEC Mosenogi's frank acknowledgment that service disconnections may be necessary to ensure Eskom debt relief compliance, while difficult, demonstrates the kind of tough decision-making required for long-term sustainability. The reality is that short-term hardship may be necessary to prevent long-term collapse of essential services.

The establishment of the North West Development Fund represents a creative response to fiscal constraints. With R100 million in government seed funding and active engagement with the banking sector and private stakeholders, this initiative could become a model for other provinces facing similar challenges.

The fund's focus on infrastructure development, SMME growth, and workforce skills development addresses the root causes of economic stagnation rather than merely treating symptoms.

The emphasis on robust governance frameworks and clear project selection criteria suggests lessons have been learned from past development initiatives that failed due to poor oversight and corruption.

The provincial treasury's

comprehensive oversight activities from CFO forums to annual financial statement preparation workshops demonstrate a commitment to building institutional capacity. The introduction of tools like Muni eMonitor and the emphasis on compliance with the Municipal Finance Management Act show recognition that good governance requires both proper systems and human capacity.

The concerning trend of municipalities adopting unfunded budgets for consecutive years, however, highlights the depth of the challenges faced. This requires not just technical solutions but a fundamental shift in municipal governance culture.

The Thunsha Lerole Accelerated Service Delivery Programme and various community outreach initiatives demonstrate that even in constrained circumstances, the department can find ways to directly impact citizens' lives. The school shoe handover in Ventersdorp may seem modest, but it represents the kind of targeted intervention that can remove barriers to education and dignity.

The Youth Empowerment in Public Finance Summit in Potchefstroom is particularly noteworthy, as it seeks to build the next generation of financially literate citizens who can participate meaningfully in governance processes. The North West Provincial Treasury's approach offers several key lessons for sustainable financial management.

The road ahead remains challenging, but the North West Provincial Treasury appears to be building the institutional framework and partnerships necessary to navigate toward a more prosperous and sustainable future.

Enjoy reading this and be informed!

Kesalopa Gill

Director: Information Management

Revised 2025/26 North West Provincial Budget Reaffirms Commitment to Growth, Stability, and Service Delivery Amid National Adjustments



By: Lemogang Mayekiso

In response to major fiscal adjustments at the national level, the North West Provincial Government has re-tabled its 2025/26 budget, underscoring its continued commitment to inclusive economic growth, job creation, and service delivery. On 27 May 2025, MEC for Finance Kenetswe Mosenogi presented the revised Provincial Appropriation Bill to the North West Provincial Legislature, following the withdrawal and amendment of the national budget by Finance Minister Enoch Godongwana.

The re-tableing was necessitated after the Minister withdrew the original 2025 Division of Revenue Bill and

Appropriation Bill first tabled on 12 March and submitted a revised version on 21 May 2025 due to broader economic shifts and fiscal constraints. This move triggered a procedural ripple effect, requiring all provinces to review and re-table their respective budgets in line with the updated national allocations and priorities.

In her address to the legislature, MEC Mosenogi reaffirmed that while the national economic outlook has worsened with a downward revision in growth forecasts the North West's fiscal framework remains stable. She stressed that the revised provincial budget still reflects the priorities of the seventh administration and is designed to cushion the impact of economic

challenges on citizens, especially the most vulnerable.

Due to procedural requirements, the Minister of Finance withdrew the initially tabled 2025 Division of Revenue Bill and Appropriation Bill originally presented on 12 March 2025 and introduced revised versions on 21 May 2025. Consequently, provinces were also required to withdraw and re-table their respective appropriation bills.

Addressing the legislature, MEC Mosenogi explained that the original North West Provincial Appropriation Bill was based on the now-withdrawn national bill. The revised provincial budget contains minimal changes but takes into account updated economic

forecasts and conditions.

Mosenogi acknowledged the challenging fiscal environment, stating, "As indicated by Minister Enoch Godongwana, the fiscal constraints and weak economic outlook remain unfavorable. However, despite the downward revision of the national economic growth forecast, our Provincial Fiscal Framework remains largely intact."

She reaffirmed the province's dedication to the core priorities of the seventh administration, saying, "Our budget proposals remain aligned with national priorities, focusing on inclusive growth, job creation, poverty reduction, and addressing the high cost of living. We are also committed to building a capable, ethical, and developmental state."

Mosenogi emphasized that the revised budget represents a blueprint for inclusive growth and transformation. "These proposals take into account the difficult socio-economic realities our communities face and are crafted to address long-standing imbalances," she said.

Budget Highlights

The total provincial budget for the 2025/26 financial year stands at R55.798 billion, increasing to R58.367 billion in the final year of the Medium-Term Expenditure Framework (MTEF).

Provincial Equitable Share Allocation:

- R44.765 billion in 2025/26
- R46.200 billion in 2026/27
- R47.719 billion in 2027/28

Conditional Grants Allocation:

- R9.618 billion in 2025/26



- R9.182 billion in 2027/28 million
- Adjustments were made following a correction to the Comprehensive Agricultural Support Programme (CASP) grant.
- The net effect of this correction increased CASP-related allocations from R751.764 million to R809.766 million in 2025/26.
- Cooperative Governance & Traditional Affairs: R681.869 million
- Health: R17.040 billion
- Human Settlements: R1.848 billion
- Education: R22.895 billion
- Arts, Culture, Sports & Recreation: R776.063 million
- Social Development: R1.876 billion
- Economic Development, Environment, Conservation & Tourism: R1.013 billion
- Agriculture & Rural Development: R1.277 billion
- Public Works & Roads: R4.207 billion.

Provincial Own Revenue remains unchanged at R1.398 billion in 2025/26, increasing to R1.461 billion in 2026/27 and R1.527 billion in 2027/28.

Departmental Allocations for 2025/26
Most allocations remain unchanged from the previous submission:

- Provincial Legislature: R522.583 million
- Office of the Premier: R519.498 million
- Community Safety & Transport Management: R2.446 billion
- Provincial Treasury: R695.181

In conclusion, MEC Mosenogi reiterated the province's unwavering dedication to its developmental mandate. The revised budget, while only slightly altered, continues to serve as a strategic tool to drive inclusive growth and uplift communities across the North West

SUPPORT TO MUNICIPALITIES

Facing the Numbers: North West CFO Forum Confronts the Cost of Non-Compliance



By: Moemedi Kotsedi and Priscilla Masigo

In the unforgiving arena of municipal finance, where compliance lapses often translate into service delivery failures, the North West Provincial Treasury is not pulling any punches. At its recent two-day CFO Forum, hosted in partnership with the Office of Municipal Support Finance, officials made it clear: the time for talking about financial reform is over it's time to act.

The forum, part of the Provincial Treasury's constitutional mandate to foster cooperative governance, gathered Chief Financial Officers from municipalities across the province, along with supply chain and budget managers, SALGA representatives, and key players from National Treasury.

This was not a meet-and-greet. It was a reality check.

Officially pegged to align with the end of the financial year, the CFO Forum focused on evaluating municipal compliance with the Municipal Finance Management Act (MFMA) and the readiness of municipalities to table credible annual financial statements. But behind the formal agenda was a sharper undercurrent: an urgent push to move municipalities away from a pattern of unfunded budgets, poor audit outcomes, and recurring financial misconduct.

Over the past three years, a worrying trend has emerged where some municipalities have routinely adopted budgets without credible funding sources, a direct violation of the MFMA. Treasury officials noted that this points not just to technical failings, but to a

deep reluctance to embrace financial accountability.

If the phrase "clean audit" is an aspiration, the acronym UIFWE (Unauthorised, Irregular, Fruitless and Wasteful Expenditure) is the reality haunting most municipal financial reports. The forum laid bare just how widespread these financial missteps have become and how rarely they're met with genuine corrective action.

One of the most sobering moments came when Chief Director for Municipal Support, Ms. Linda Nengovhela, addressed the group. Her tone was firm, her message unequivocal.

"Municipalities need to take accountability seriously," she said. "We've introduced tools like Muni eMonitor, which helps municipalities



Continues from Pg 06

keep track of compliance deadlines, report accurately, and build internal oversight. But there's resistance some just won't adapt."

The Muni eMonitor, a compliance calendar system developed to streamline municipal financial operations, is barely being used in some councils, despite being available at no cost. Nengovhela said this speaks volumes about the lack of urgency and willingness to modernize municipal governance.

The forum wasn't just a platform for reporting it was a mirror held up to each municipality, reflecting both progress and failure. CFOs were expected to account for how well they'd followed through on recommendations from previous forums, and to present credible plans for financial recovery and governance reform.

As the dialogue deepened, one truth emerged with clarity: consequence management is no longer optional. Municipalities that continue to disregard

audit findings, adopt unfunded budgets, or resist compliance tools will face action.

"Transgressions like UIFWE must trigger automatic intervention," said Nengovhela. "Until municipalities act on remedial measures, the Provincial Treasury will not hesitate to enforce consequences."

The CFO Forum closed with a sobering reflection: achieving clean audits and funded budgets isn't about ticking boxes it's about restoring faith in local government, ensuring resources reach communities, and reinforcing that good governance is not an ideal, it is a requirement.

If municipalities in the North West want to shake off the shadows of fiscal mismanagement, forums like these are not just helpful they are essential. But only if words lead to action. And action leads to accountability.





SHARPENING THE FINANCIAL LENS

MMCs Get Boosted on Oversight of Municipal Finances



By Aobakwe Olehile and Bernice Ndlovu

In a province where public finance management is under the microscope, the North West Provincial Treasury, in collaboration with National Treasury, is investing in the people tasked with safeguarding municipal budgets, Members of the Mayoral Committee (MMCs) responsible for finance.

During a recent capacity-building session, MMCs from various local councils gathered to deepen their understanding of their oversight roles especially when it comes to annual financial statements. The engagement aimed to sharpen their ability to interrogate financial documents, enforce accountability, and ultimately enhance service delivery outcomes.

The focus areas of the session were as strategic as they were technical: Annual Financial Statements (AFS), Post-Audit Action Plans, the management of

Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&W), and broader compliance with the MFMA (Municipal Finance Management Act).

“These MMCs are not just political figures, they are financial stewards,” said Ms. Linda Nengohvela, Chief Director for Municipal Finance Management at the North West Provincial Treasury. “They oversee revenue, budgeting, expenditure control, and financial reporting. Empowering them means equipping our municipalities to account credibly and transparently for public funds.”

The session made it clear: financial oversight isn’t about ticking boxes. It’s about asking the right questions, identifying red flags early, and ensuring that municipal spending aligns with both budgetary plans and legislative standards.

Participants were taken through the intricacies of post-audit processes, how to respond to Auditor-General findings,

and the critical steps in preventing recurring financial missteps.

The Provincial Treasury reaffirmed its commitment to partnering with SALGA and COGTA to provide continued technical support to MMCs. The goal is not just to curb UIF&W expenditure, but to transform North West municipalities into models of fiscal discipline and service delivery.

By arming MMCs with the right tools and knowledge, Treasury is laying the groundwork for better audit outcomes, more effective councils, and ultimately, communities that can trust their leaders to deliver.

In a time of tightening budgets and rising public expectations, the work of MMCs has never been more crucial or more visible. Their ability to hold the financial line may very well determine whether local government can turn its promises into tangible progress.

KEEPING TABS ON THE PURSE:

How the North West Provincial Treasury Is Tightening Oversight on Municipal Budgets



By Kelepile Mokaila

In the quiet conference rooms of municipal offices across the North West, a critical ritual has been unfolding one that has everything to do with power, accountability, and service delivery. It's budget season, and the Provincial Treasury is making sure every cent counts.

Each year, as part of its oversight mandate under Section 23 of the Municipal Finance Management Act (MFMA), the Provincial Treasury embarks on a series of strategic budget engagements with local municipalities. The focus? Ensuring that municipal budgets aren't just figures on paper but are firmly rooted in reality, aligned with community needs, and capable of delivering services.

But this year's round of one-on-one

budget engagements with municipalities carried a sense of urgency. Officials are not just checking the boxes, they are sounding the alarm. The sessions centered on the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF).

According to the MFMA, municipalities are not only required to table their budgets for public and intergovernmental input, but must also engage with feedback from the National and Provincial Treasuries. These discussions are where plans either gain traction or are flagged for course correction.

In the spotlight were critical issues: how budgets align with each municipality's Integrated Development Plans (IDPs) and Service Delivery and Budget Implementation Plans (SDBIPs), how

realistic revenue projections are, and whether operational and capital expenditures are being prioritized wisely.

What emerged from the conversations was a pattern that's becoming all too familiar.

Fewer municipalities, Treasury officials noted with concern, are tabling funded budgets a basic standard for fiscal health. In several cases, deficits are growing instead of shrinking. Revenue enhancement strategies, touted in council chambers, often falter in execution. Collections remain dismal. Without action, the knock-on effects could stall infrastructure maintenance, delay essential services, and deepen public frustration.

Still, these engagements were not

Continues on Pg 10

Continues from Pg 09

about finger-pointing. They were about solutions.

Joined by Chief Financial Officers, Municipal Managers, and representatives from the South African

Local Government Association (SALGA), the Treasury facilitated open, if sobering, dialogue. Municipalities were encouraged to develop credible funding plans, improve revenue collection systems, and streamline financial controls because a balanced budget is not just good governance; it's survival.

More than just compliance, the goal is transformation. A properly funded municipal budget is a tool of empowerment. It builds roads and clinics, keeps lights on and taps running, and unlocks the kind of stability that invites investment.

Treasury's message was clear: budgets must move from theoretical exercises to actionable strategies. And that starts with political will, technical expertise, and the grit to make tough calls when revenue falls short.

As budget books close and implementation begins, the success of these engagements will be measured not just in financial statements but in clean water, reliable refuse collection, and infrastructure that serves not fails the people.

In the end, oversight isn't about control. It's about collaboration. And with the right commitment, this process can restore more than balance sheets it can restore public trust.





PROVINCIAL TREASURY TIGHTENS OVERSIGHT ON MAQUASSI HILLS BUDGET: Eyes on Recovery and Realism

By Aobakwe Olehile

As part of its constitutional and legislative mandate, the North West Provincial Treasury is intensifying its oversight of municipal finances, this time focusing on the recently tabled 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) of Maquassi Hills Local Municipality.

In line with Section 23 of the Municipal Finance Management Act (MFMA), the Treasury's role is more than procedural, it is pivotal to ensuring that municipal budgets are both realistic and aligned with broader planning imperatives. And for Maquassi Hills, that oversight couldn't be more critical.

The Treasury's latest engagement with the municipality aimed to unpack the financial assumptions underpinning the MTREF. At the heart of the discussion were three vital components: own revenue strategies, operational spending, and capital investment and how these elements shape the municipality's ability to deliver on its service mandate.

The review served not just as a

financial check-in, but as a reminder of the strategic need for continuous alignment between budgeting and planning, especially where intergovernmental collaboration is expected to yield tangible results.

Maquassi Hills has officially been placed in the Rescue Phase of its Financial Recovery Plan, a classification that signals urgent and deep-rooted financial distress. For the Provincial Treasury, this phase demands immediate intervention and structured reform.

But the goal is not to remain in rescue mode. Instead, the municipality is expected to actively transition toward long-term financial sustainability, addressing inefficiencies, plugging revenue leakages, and improving basic financial governance.

While fiscal reform remains central, the municipality is also confronting broader developmental challenges, economic stagnation, high unemployment, and rising poverty levels. In response, it has begun implementing a Local Economic Development (LED) strategy, designed

to support grassroots enterprise and community-driven growth.

Yet, significant hurdles persist. Water scarcity, poor revenue collection, and inconsistent electricity supply continue to limit both development and public confidence. The Treasury has flagged these issues as key risks in the municipality's recovery journey.

One of the core recommendations from the Provincial Treasury was the adoption of a credible funding plan, to be approved by Council. This plan should not only identify revenue sources to close the funding gap, but also reflect historical and current revenue performance, ensuring that projections for 2025/26 and beyond are grounded in financial reality.

Treasury also urged the municipality to shift decisively toward a funded budget, a crucial benchmark for exiting the Rescue Phase.

"Restoring Dignity, One Municipality at a Time": MEC Mosenogi's Rallying Call for Financial Recovery in the North West

RESTORING DIGNITY, ONE MUNICIPALITY AT A TIME.

MEC Mosenogi's Rallying Call for Financial Recovery in the North West



By Lemogang Mayekiso

It's no secret that the financial health of municipalities across the North West Province has come under increasing pressure. Aging infrastructure, erratic service delivery, and growing debt have created a dangerous cocktail of dysfunction. But if MEC for Finance Kenetswe Mosenogi has her way, that chapter may soon begin to close.

During a recent series of strategic engagements with Provincial Executive Representatives (PERs), the government's frontline envoys deployed to support struggling municipalities, Mosenogi made it clear: restoring financial order is not a

technical exercise; it's a moral imperative.

"The restoration of the dignity of the North West Province depends on your commitment to assisting municipalities in implementing their financial recovery plans," she said, her message both urgent and unequivocal. "Your deployment is a recognition of your expertise, yes—but more importantly, it's a call to action."

Ten municipalities namely, Naledi, Mamusa, Dr. Ruth Segomotsi Mompati District, Ditsobotla, Ramotshere Moilwa, Tswaing, Kgetlengrivier, Madibeng, Maquassi Hills, and the City of Matlosana currently sit at the heart of

this recovery drive.

For these municipalities, the numbers do not just reflect shortfalls, they tell a story of eroding trust, deferred development, and strained public services.

What's on the table is the implementation of Financial Recovery Plans (FRPs) structured frameworks developed in collaboration with National Treasury to nurse municipalities back to health. But plans, Mosenogi emphasized, are only as effective as the commitment behind them.

The FRPs follow a three-phase model:

- Rescue Phase – Urgent liquidity interventions and short-term cash flow management

Continues on Pg 12



- Stabilisation Phase – Strengthening governance and rebuilding financial controls
- Sustainability Phase – Ensuring long-term resilience and fiscal independence.

The MEC was candid: far too many municipalities are stuck in the Rescue Phase, treading water with short-term fixes. What's needed now, she insisted, is the political and administrative will to push forward—to transform rescue into resilience.

Another hard truth surfaced in the discussions: municipal debt to Eskom remains a ticking time bomb.

Mosenogi did not sugarcoat it. Municipalities benefitting from the national Eskom debt relief programme must meet their obligations, no exceptions. If compliance slips, so too must patience.

"Service disconnections are never ideal, but they may be necessary to enforce

financial discipline," she said. "In the long term, they could lead to partial debt write-offs and greater capacity to collect revenue and deliver services."

Budgets That Build, Not Just Balance
While financial metrics matter, the MEC reminded all present that this journey is about more than numbers on a spreadsheet. It's about enabling municipalities to fulfill their constitutional duty: to deliver clean water, manage waste, maintain infrastructure, and create spaces where economies can grow and people can live with dignity.

"A municipality's financial health directly influences its ability to invest in infrastructure, education, and public services," she noted. "These are not luxuries, they are the foundation of development."

Throughout her address, Mosenogi struck a tone of urgency, but also one of collaboration. The recovery effort isn't something the provincial government can shoulder alone. It requires

coordination between PERs, local leadership, national departments, and communities themselves.

What's at stake is more than municipal recovery, it's about restoring the credibility and capacity of local government, and in doing so, rebuilding the trust of the people who depend on it every day.

And if the MEC's tone is anything to go by, failure is not an option.

On the matter of municipal debt to Eskom, MEC Mosenogi took a firm stance, urging municipalities to comply fully with the national Eskom debt relief programme. She warned that failure to meet its terms may necessitate difficult measures, including service disconnections.

"While service disconnections are difficult, they may be necessary to enforce financial discipline," she said. "In the long term, compliance could result in partial debt write-offs and ultimately improve the municipality's ability to collect revenue and provide services."

Importantly, MEC Mosenogi highlighted that financial recovery goes beyond stabilising budgets. It is a prerequisite for municipalities to fulfill their constitutional mandate, delivering basic services, maintaining infrastructure, and fostering local economic growth.

"A municipality's financial health directly influences its ability to invest in infrastructure, education, and public services," she noted. "These are the foundations of economic development, job creation, and an improved quality of life for our communities."

The North West Provincial Government, MEC Mosenogi assured, remains fully committed to working with all relevant stakeholders to ensure that local governments become sustainable, accountable, and citizen-focused institutions.

SUPPORT TO PROVINCIAL DEPARTMENTS AND PUBLIC ENTITIES - Staying Audit-Ready: North West Departments Sharpen Their Financial Reporting Game



By Priscilla Masigo

As the dust settles on the 2024/25 financial year, all eyes are on North West's government departments to deliver what many consider the ultimate litmus test of public accountability, clean, credible, and compliant financial statements.

In a proactive move that signals intent for tighter financial governance, the North West Provincial Treasury hosted its Annual Financial Statements (AFS) Readiness Workshop, aimed at assessing and enhancing the preparedness of departments ahead of the critical 31 May submission deadline. But this isn't just about administrative housekeeping. At stake is much more than compliance.

Annual Financial Statements represent more than numbers, they are a mirror of how responsibly and effectively government departments manage public funds. In a province often burdened by recurring audit disclaimers, unauthorised expenditure, and

reputational damage, getting the basics right has never been more crucial.

"Financial statements are where accountability begins," one Treasury official said. "When citizens want to know how their taxes are used, when Parliament wants to track service delivery, and when investors weigh the health of the province's economy, they all turn to these reports." That is why the workshop placed strong emphasis on not just submitting reports on time, but submitting statements that withstand scrutiny.

At the core of this year's training was familiarisation with the Modified Cash Standard (MCS), a mandatory framework that blends cash and accrual accounting principles and is now a non-negotiable in the public sector. Departments were guided through the nuances of this reporting standard, which requires greater discipline in capturing both cash transactions and non-cash events—such as commitments, accruals, and contingent liabilities. These details often determine

whether audit outcomes pass or fail. In addition, Treasury introduced departments to best practices in building a robust audit file, the evidence repository used by auditors to verify the credibility of submitted figures.

A Model Audit File Should:

- Align with the applicable accounting framework (MCS, GRAP, IPSAS)
- Be organized by financial statement sections
- Contain properly referenced working papers
- Reflect internal quality control and oversight
- Be fully backed by verifiable and authorised documentation

For the North West Provincial Government, strengthening internal financial controls is not just about avoiding red flags in the Auditor-General's reports, it is about restoring public confidence and building a reliable platform for service delivery. After all, poor financial reporting leads to poor planning, which leads to delayed infrastructure, unpaid service providers, and ultimately, communities left waiting.

Clean audits are not an end in themselves. They are the green lights that unlock development funding, investor confidence, and intergovernmental support. And as Treasury works toward this vision, these annual workshops are proving to be more than tick-box exercises, they are building blocks of institutional maturity.

As departments finalize their submissions for the 2024/25 reporting cycle, the Provincial Treasury has pledged continued support through technical assistance, post-submission review sessions, and audit follow-ups. The message is clear: good governance is not seasonal, it's systemic.

This time around, it is not just about beating the deadline. It's about raising the bar.



Managing Risks for Improved Service Delivery

By Priscilla Masigo and Kutlwano Mohale

Risk management is no longer a back-office function confined to compliance—it is a strategic imperative for improved service delivery. In accordance with Section 18 of the Public Finance Management Act (PFMA), the North West Provincial Risk Management unit is tasked with overseeing the implementation of effective risk management systems, building institutional capacity, and enforcing PFMA provisions across provincial departments and public entities.

In line with this mandate, the unit recently convened Risk Management Officers (RMOs) from across the province for an intensive engagement to share best practices, strategies, and risk mitigation techniques. The goal: to enhance institutional resilience, ensure accountability, and ultimately deliver better services to citizens.

Proactive Risk Culture: A Pillar of Public Sector Performance

Mr. Ofentse Sebaetse, Acting Director for Provincial Risk Management, emphasized that a structured and proactive approach to risk is essential

for achieving government objectives. "Effective risk management allows departments to identify, assess, and mitigate potential threats before they materialize and disrupt operations," he said. "This directly contributes to enhanced service delivery and public trust."

He explained that risks such as infrastructure breakdowns, budget overruns, or public unrest can be anticipated through robust systems, enabling public institutions to act pre-emptively rather than reactively.

"By embedding risk management into daily operations, institutions not only reduce vulnerabilities but create room for more strategic resource allocation, improved governance, and operational stability," Sebaetse added.

Risk Intelligence for Smarter Resource Use

Dimakatso Molebatsi, also from the Provincial Risk Management unit, highlighted the value of risk management in resource optimization. "Risk analysis enables departments to identify where human and financial resources are most needed. This ensures that budgeting is aligned with

critical service delivery risks, improving both efficiency and impact," she said.

This approach aligns with the broader goals of public financial management—doing more with less, avoiding waste, and ensuring the right interventions are prioritized.

At its core, risk management promotes good governance, which includes ethical leadership, transparency, accountability, and responsiveness. When institutional risks are well-managed, public confidence increases because service delivery becomes more predictable and responsive to citizens' needs.

"Departments that are transparent about the risks they face, and how they plan to mitigate them, send a strong signal of commitment to governance excellence," said Sebaetse.

The session concluded with a collective understanding that risk management must evolve from being a compliance tick-box to becoming an integral part of strategic planning and decision-making. By embedding risk awareness into the culture of provincial government, the North West can advance toward resilient, people-centered service delivery.

Provincial Departments and Public Entities Submit 2024/25 Annual Financial Statements to Auditor-General



By Priscilla Masigo

In a key milestone for public accountability and good governance, the North West Provincial Departments and Public Entities officially submitted their Annual Financial Statements (AFS) for the 2024/25 financial year to the Auditor-General of South Africa (AGSA) on 30 May 2025—a major

deliverable in line with legislative requirements.

The submission, which must occur within two months after the end of the financial year as per Section 40(1)(c) of the Public Finance Management Act (PFMA), No. 1 of 1999, marks the culmination of a year-long cycle of planning, execution, financial

management, and service delivery, all distilled into a formal report of financial performance.

Annual Financial Statements are far more than a compliance exercise. They represent the financial narrative of how provincial departments and public entities managed public funds entrusted to them. The documents give a detailed account of expenditures, revenue collection, asset management, and overall fiscal discipline.

"Financial statements are essential tools for ensuring transparency, upholding accountability, and reinforcing the public's trust," said a Treasury official. "They reflect not just figures but the integrity of government." In preparation for this crucial submission, the North West Provincial Treasury provided extensive support to departments and entities throughout the year. This included:

- Interim financial statement reviews
- Training and technical workshops on Modified Cash Standards (MCS) and audit readiness
- Post-Audit Action Plan (PAAP) implementation assistance
- On-site advisory support
- Internal audit coordination and support from Audit Committees

Chief Financial Officers (CFOs) across departments commended the Office of the Provincial Accountant-General (PAG) for its hands-on role in capacitating financial units. "The guidance we've received from Treasury has been pivotal—not just for

Continues from Pg 15

compliance, but for lifting the quality and credibility of our financial reports," said Ephraim Legoale, CFO of Cooperative Governance.

Speaking at the formal handover ceremony, Mr. Mthokosizi Sibisi, Business Unit Leader at the Auditor-General's North West Office, expressed optimism about the trajectory of audit outcomes.

"We are confident that the efforts made will reflect positively in improved audit outcomes. Our goal is not just to achieve clean audits but to entrench a culture of compliance, consequence management, and continuous improvement," said Sibisi.

Dr. Ben Bole, Head of Department for Cooperative Governance, echoed this sentiment:

"Clean audits are important, but sustainable improvement in financial governance must be our true measure of success."

This year's timely submission signals a turning point in the province's commitment to responsible public finance management. With recurring challenges such as irregular expenditure, weak internal controls, and audit disclaimers still haunting many provinces nationally, the North West's proactive approach shows a willingness to turn the tide toward greater accountability.

The Provincial Treasury has emphasized that this submission is not the end of the journey—but the start of another crucial phase: external auditing, followed by implementation of recommendations and continued pursuit of sound financial stewardship.

A FUND FOR THE FUTURE

North West Plots Bold Economic Turnaround with Development Fund Vision.



6By Lemogang Mayekiso

In a room humming with the energy of possibility, captains of industry sat shoulder to shoulder with government leaders united not by ceremony, but by a shared mission: to shape the future of the North West Province. At the center of it all stood MEC for Finance, Kenetswe Mosenogi, driving a dialogue that could redefine the province's development trajectory.

The agenda? The creation of the North West Development Fund (NWDF), a solidarity-based financing mechanism envisioned to be a game-changer for the

province's infrastructure, economy, and communities.

Held as part of an ongoing series of consultative engagements launched in March 2025 shortly after Premier Lazarus Mokgosi publicly announced the fund, the session convened a cross-section of voices from the construction, finance, mining, ICT, biodiversity, and pharmaceutical sectors, among others.

"This is not just another initiative, it's a catalyst," said MEC Mosenogi. "The NWDF will be a vehicle for inclusive

Continues on Pg 17

growth, focusing on infrastructure, sustainable employment, and equitable education especially for communities long left on the margins."

At its core, the fund aims to unlock private sector capital and expertise, creating a robust public-private ecosystem that can drive scalable impact. With the province facing intensified financial pressure, Mosenogi made a compelling case for a sustainable, non-governmental mechanism to supplement limited state resources.

"This is about resilience. It's about establishing a financial platform that outlives budget cycles and political terms," she told stakeholders. "And that begins with partnerships."

Industry representatives engaged meaningfully with government officials during the session, probing the fund's potential structure, governance model, and investment framework. What emerged was a consensus: co-ownership and accountability will be key to the fund's credibility and long-term success.

The provincial government has already initiated strategic outreach to businesses, banking on their innovation, capital agility, and sector knowledge to co-create solutions that make a measurable difference. Whether it's bridging the rural broadband gap or supporting green energy start-ups, the fund is being crafted to adapt and deliver.

But this isn't only about funding projects, it is about redrawing the development map of the North West. Mosenogi anchored the discussion in a people-first philosophy, stating that

every cent mobilized through the NWDF should contribute toward visible and lasting change.

Think youth empowerment, small business incubation, water access, educational reform, and municipal renewal. "We are designing a fund that speaks to the lived realities of our people," she said. "And that means access, opportunity, and dignity."

As the session wrapped up, one thing was clear: the North West isn't just proposing a fund—it's proposing a new way of doing development. One where government facilitates, industry collaborates, and communities benefit.

"The NWDF is more than a financial instrument," Mosenogi concluded. "It is a declaration that we refuse to be defined by constraints. That we believe in our people. And that together, we can build a North West that thrives."



STAKEHOLDER ENGAGEMENT

BANKING ON CHANGE: NORTH WEST COURTS FINANCIAL SECTOR AHEAD OF DEVELOPMENT FUND LAUNCH

By Lemogang Mayekiso

In the heart of Sun City, against the backdrop of possibility and purpose, the North West Provincial Government brought together power players from South Africa's banking sector for a high-stakes engagement that could shape the region's economic future.

Premier Lazarus Mokgosi, flanked by Finance MEC Kenetswe Mosenogi and Cooperative Governance MEC Oageng Molapisi, led the dialogue, presenting a bold vision for the upcoming North West Development Fund (NWDF), a fund designed not just to inject capital into the province, but to ignite transformation.

"This is more than a financial mechanism. It's a transformative chapter in the story of our beloved North West," Premier Mokgosi told representatives from the country's top three banks. "We're standing at a crossroads. Our potential is immense, but so are our challenges. This fund is our vehicle for real, structural change."

The province has already put R100 million in seed funding on the table, a clear signal of intent. But as MEC Mosenogi was quick to emphasize, government alone cannot deliver the kind of inclusive, large-scale change envisioned.

"Government can spark the flame but it's institutions like yours that must fan it into something bigger," she said to the banking leaders in attendance. "We're not asking for charity. We are inviting you to become co-architects in building a resilient, inclusive economy."



The NWDF will channel investment into critical infrastructure, small business growth, and workforce upskilling sectors identified as the backbone of regional recovery and long-term prosperity.

Trust and transparency took center stage throughout the session. With South Africans increasingly wary of mismanaged funds, Mosenogi took care to outline the guardrails built into the NWDF: strict project selection criteria, ironclad governance frameworks, and public reporting mechanisms to ensure full accountability.

"This fund will not become another cautionary tale. It will be defined by credibility and measurable impact," she said. "We've done the groundwork. Now we need the partnerships that will take it to scale."

Shifting from Policy to Impact

For the provincial leadership, this is not

just a technical exercise in fiscal policy, it is about people. Every rand mobilized is a stepping stone toward employment, entrepreneurship, infrastructure, and equity.

"The real success of this fund won't be in spreadsheets or boardroom presentations," Mosenogi told the room. "It will be seen in the small business that expands, the student who lands a job, the community that gets clean water."

As anticipation builds for the fund's official launch, the mood in the room was one of cautious optimism, tempered by the recognition that this initiative must deliver where so many others have fallen short.

But for a province hungry for progress and a financial sector open to shaping it, this may well be the beginning of something consequential.

"It's time," Mosenogi said in closing. "Let's not just talk about change. Let's build it. Together."

IMPACTING THE LIVES OF COMMUNITIES THROUGH OUTREACH PROGRAMMES ON THE GROUND WITH THUNTSCHA LEROLE: NORTH WEST BRINGS SERVICES TO COMMUNITIES, ON THEIR DOORSTEPS



By Lemogang Mayekiso

In North West Province, government service delivery is not confined to offices, it is hitting the streets. Through Phase 04 of the Thuntsha Lerole Accelerated Service Delivery Programme, officials took real-time governance to the people, embracing the Batho Pele ("People First") ethos and the integration mandates of PFMA and MFMA.

Over the past year, Provincial Treasury teams from Supply Chain, Municipal Support, Communications, Infrastructure Management, Strategic Management embarked on a cross-district mission, bringing services

straight to communities across Dr Ruth Segomotsi Mompati, Bojanala Platinum, Ngaka Modiri Molema, and Dr Kenneth Kaunda. Their objectives were simple yet powerful: deliver, listen, and rebuild trust.

What Made Phase 04 Stand Out

- **Visibility in Action:** Government officials were seen literally in the heart of underserved areas, answering questions, resolving issues, and coordinating service delivery on the spot.
- **Immediate Impact:** Teams responded in real time addressing road damage, documentation delays, infrastructure backlogs, and

access to social services with tangible results.

- **Community Voice at the Center:** Town hall meetings and public dialogues created safe spaces for citizens to air concerns directly to MECs, mayors, and local leaders building a bridge before protests could erupt.

Phase 04 embodied provincial unity in action:

- **Integrated Governance:** Provincial departments, municipalities, public entities, and local representatives worked side by side, co-designing solutions that reflect diverse mandates and

shared vision.

- Proximity Service Delivery: Whether legal documentation, health services, or social grants, people gained access without unnecessary travel, empowering individuals and families.
- Stronger District Coordination: District-level officials showed increased willingness to work together creating more cohesive planning, execution, and follow-through.
- Increased community participation in planning and feedback channels
- Notable uplift in public satisfaction and trust indices—where available
- Clearer identification of recurring service backlogs and structured response protocols

The roll-out, while impactful, came with its share of challenges:

- Logistics & Coordination: Traveling across vast rural terrain with multiple agencies raised timing and resource concerns.
- Workload Imbalance: Onsite teams often juggled tasks stretching

beyond the original scope, highlighting the need for better pre-event planning.

- Tracking Impact: Measuring the programme's long-term outcomes beyond immediate fixes remains an area for refinement, especially when aligning with future budget cycles and departmental mandates.

- Sharper coordination protocols, minimizing bottlenecks on-site
- Stronger performance metrics, monitoring from implementation through to improvement
- Increased local ownership, empowering communities to co-drive systemic change

Phase 04 wasn't just a government initiative; it was a movement, a hands-on demonstration that public service, at its best, is not delivered from desks, it is delivered from roads, halls, doorsteps, and open air.

Building on the momentum of Phase 04, Phase 05 is set to deepen the programme's impact:



DEPARTMENT SUPPORTS NPO CAPACITY BUILDING PROGRAMME INITIATIVE

By Happy Pilane

The North West Provincial Treasury has reaffirmed its commitment to strengthening the non-profit sector by actively participating in the "Re Thuse, Re Go Thuse" NPO Capacity Building Programme, an initiative led by the Department of Social Development. This initiative is designed to capacitate Non-Profit Organisations (NPOs) with critical compliance and operational knowledge, enabling them to effectively contribute to community development and social transformation.

The Provincial Treasury joined a host of other key stakeholders including the South African Revenue Service (SARS) and the National Development Agency (NDA) to deliver targeted support during district-wide roadshows. At these engagements, the department provided much-needed services such as:

- Registration of NPOs on the Central Supplier Database (CSD)
- Verification of compliance documentation

- Advisory support on procurement readiness and legislative frameworks.

NPOs were encouraged to come prepared with the following documents to complete their CSD registration:

- Valid Tax Clearance Certificate
- B-BBEE Certificate
- Valid CIPC Registration
- ID Copies of Owners/Directors
- Bank Account Confirmation
- Proof of Address

This intervention comes in response to a growing concern: many NPOs are unable to access government funding due to non-compliance with statutory requirements, including the failure to update their details on systems such as the CSD and SARS databases, or to submit mandatory reports.

"We view NPOs as essential partners in development. They are the extended arm of government in reaching our communities and enhancing social welfare," said a departmental official.

The department's role in this initiative is

not limited to registration alone. It also includes ongoing engagement and support to ensure compliance, capacity building, and the promotion of good governance practices. These continuous touchpoints aim to build stronger, more sustainable organisations capable of delivering impactful community services.

This capacity-building effort aligns with government's broader objective to foster a vibrant civil society sector that is compliant, accountable, and impactful. By equipping NPOs with the tools and information they need to operate efficiently, the province is laying a foundation for inclusive service delivery and sustainable community upliftment.

"Through partnerships and collaboration, we can strengthen governance, promote accountability, and ensure that every NPO has the capacity to play its role in building a better North West," concluded a representative from the Provincial Treasury.





North West Provincial Treasury Champion Youth Participation in Public Finance at Potchefstroom Summit

By Moemedi Kotsedi

As part of the North West Province's ongoing Youth Month commemorations, the department hosted a landmark Youth Empowerment in Public Finance Summit on 13 June 2025 at the Madiba Banquet Hall in Potchefstroom. The summit brought together hundreds of young people from across the JB Mark Local Municipality to engage with leaders and institutions within the public finance sector.

Themed "Locating the Role of Youth in Public Finance," the summit was designed to address a critical gap: the limited involvement of youth in public financial management and governance, despite the profound impact these processes have on their daily lives. The event aimed to empower young people with knowledge, skills, and opportunities to actively participate in public finance decision-making and oversight.

In his opening address, Acting Head of Department for the North West Provincial Treasury, Geo Paul, stressed the importance of youth participation in shaping the province's financial future. "Our theme today is not just a slogan — it is a call to action," Paul declared. He noted that young people are often viewed as mere recipients of public services and policy outcomes, but stressed that they must be recognized as co-creators and active contributors to fiscal governance.

He highlighted how public finance is intricately linked to the well-being of communities, influencing everything from the quality of education and healthcare services to the availability of infrastructure and employment opportunities. "Understanding and engaging in public finance is crucial for the youth because these processes determine how resources are allocated and prioritized," he said.

The summit sought to demystify what can be perceived as complex and inaccessible technical jargon associated with budgeting, procurement, and financial oversight. Through a series of interactive workshops, presentations, and panel discussions, young participants were introduced to the fundamentals of public finance:

- Budget cycles and processes: How government budgets are formulated, approved, and monitored.
- Fiscal oversight: The role of audit institutions, public participation, and accountability mechanisms.
- Procurement and supply chain management: How goods and services are purchased by government, and how youth-owned enterprises can participate in these opportunities.



A core part of the summit was to expose young people to career and development pathways within the public finance sector. The Treasury unveiled initiatives including:

- Skills development programmes

tailored to public financial management

- Internship and bursary opportunities for youth interested in finance, accounting, and economics
- Platforms for youth to contribute to

budget consultations and service delivery monitoring

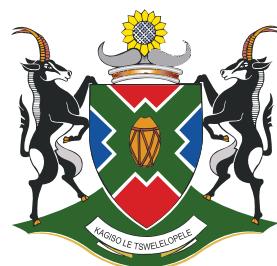
By equipping youth with these tools, the provincial government hopes to cultivate a new generation of financially literate and engaged citizens who can champion transparency and good governance.

Acting HoD Paul underscored the shared responsibility between government and youth in fostering meaningful participation. "Government must build platforms, provide mentorship, and open doors," he said, "but young people must step forward, participate, and hold us accountable."

He called on the youth to see themselves not just as stakeholders but as partners in governance who bring innovation, creativity, and energy to public finance challenges. "The future of our province depends on your involvement," Paul concluded.

The summit aligns with broader national and provincial strategies aimed at promoting inclusive governance, youth empowerment, and socio-economic transformation. By actively involving youth in the public finance ecosystem, the North West Provincial Treasury seeks to ensure that government budgets and policies better reflect the needs and aspirations of young people.

The event also serves as a platform for building trust between government institutions and youth communities, which is essential for improving service delivery outcomes and reducing social unrest related to perceived government neglect.



provincial treasury

**Department:
Provincial Treasury
North West Provincial Government
Republic of South Africa**

Compiler

| Lemogang Mayekiso
Kelepile Mokaila

Editor in Chief

| Kesalopa Gill

Editor

| Lemogang Mayekiso

Layout & Design

| Sello Motseleng

Contributors

| Lemogang Mayekiso
Kelepile Mokaila
Moemedi Kotsedi
Priscila Masigo
Bernice Legwase
Happy Pilane
Aobakwe Olehile

Photography

| Moemedi Kotsedi
Priscila Masigo
Aobakwe Olehile