

provincial treasury

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

DEPARTMENTAL BUDGET SPEECH

2026 - 2027





MS. KENETSWE MOSENOGI
MEC FOR FINANCE

DEPARTMENTAL
BUDGET SPEECH
2026/2027

26 JUNE 2026

**TABLING OF THE 2026/27 NORTH WEST PROVINCIAL TREASURY
DEPARTMENTAL BUDGET SPEECH AT THE NORTH WEST
PROVINCIAL LEGISLATURE BY MEC KENETSWE MOSENOGI ON
26TH JUNE 2026**

Honourable Speaker, Dr. Desbo Sebonta Mohono;

Honourable Deputy Speaker, Mr. Collen Mokone Maine;

Honourable Chief Whip of the House, Ms Motlalepule Rosho;

Honourable Premier, Mr. Lazarus Kagiso Mokgosi;

Honourable Members of the Executive Council;

Honourable Members of the Provincial Legislature;

**Chairperson of the Provincial House of Traditional and KhoiSan
Leaders, Kgosi Thari Maotwe II;**

Ladies and Gentlemen;

Bagaetsho, Dumelang.

Honourable Speaker, this year marks South Africa's 50th Anniversary of the 1976 Youth Uprisings, a defining moment in our nation's journey towards freedom and democracy.

Fifty (50) years ago, thousands of courageous young people took to the streets to confront the injustices meted on our people by over three hundred years of Colonial-Apartheid rule.

Their resilience in the face adversity set the country towards a path of renewed hope centred on respect for human rights and equal opportunities for all. It is their bravery which shook the foundations of Apartheid and expedited the attainment of the country's democracy.

However, as we ponder on this important milestone, thousands of young people remain locked outside of opportunities that can better lives.

Many of them are not in school or undertaking any vocational training to sharpen their skills and be self-sufficient. Therefore, drastic measures are needed to turn the tide against the youth job crisis confronting the province.

As the former president of the African National Congress (ANC) – **Mkhokeli Oliver Reginald Tambo** once said; **“a nation that does not value its youth does not deserve its future.”** These words must not ring hollow in our endeavours to find lasting solutions to youth unemployment.

In addressing the scourge of unemployment, the provincial government has officially adopted the Provincial Growth and Development Strategy (PGDS) confined within four primary economic drivers which are; **mining, agriculture, tourism, and manufacturing**

This strategy serves as a blueprint to build an inclusive, resilient, and a job-creating economy that can lift young people out of this economic conundrum.

As remarked by Premier Lazarus Mokgosi during the launch early this year; **“the strategy marks the beginning of a new social compact, one that brings together government, business, labour, and communities to deliver real change”**.

Economic Outlook

Honourable Speaker, heightened geopolitical tensions inclusive of the recent impasse between the United States of America (USA) and Iran, trade fragmentation, and oil supply disruptions continue to weigh on the global economic outlook.

According to the International Monetary Fund (IMF), global economic growth is projected at 3.1 per cent in 2026, down from approximately 3.4 per cent in 2024 and 2025, reflecting weaker trade conditions, elevated policy uncertainty and geopolitical conflicts.

All the efforts in relation to the continuous peace talks to end the USA – Iran war are welcomed. A permanent ceasefire will guarantee safe passage through the Strait of Hormuz which in turn will free the shipping lines and open global trade to and from that region.

The South African economy continues to grow at a subdued pace amid persistent structural constraints and a challenging global environment. According to recent Stats SA reports, real Gross Domestic Product (GDP) growth reached 1.1 per cent in 2025, the strongest annual expansion since 2022 and GDP grew by 0.5 per cent in the first quarter of 2026.

Honourable Speaker, as per the Stats SA report, the North West Province's economic growth for 2024 was negative 0.1 per cent. The provincial economy is mainly driven by primary industries like mining and agriculture as well as the tertiary sectors.

Even amidst all the economic uncertainty, we remain confident that through sound financial management, fiscal discipline and accountable governance, our province can create conditions for growth and prosperity.

KEY ACHIEVEMENTS FOR 2025/26

Honourable Speaker, during the 2025/26 financial year, the department received R592 million to strengthen governance, improve financial management oversight and invest in the development of future generations which resulted in the following achievements:

- Our dedication to instil sound fiscal discipline the province managed to spend ninety-nine (99) per cent of the R57 billion appropriated in the
- 2025/26 financial year. The larger portion of the allocation went to compensation of employees, with the rest supporting infrastructure development and service delivery measures in critical sectors like health, education as well as support to our provincial entities.
- The Department provided internship opportunities to one hundred (100) graduates, equipping them with valuable practical experience and professional skills across various fields of public financial management.
- A strategic partnership between the department and the Finance and Accounting Services Sector Education and Training Authority (FASSET), secured funding for an additional forty (40) interns, who have been placed across eight municipalities in the province. This initiative not only enhances the employability of young graduates but also strengthens financial management capacity within municipalities.

- In an endeavour to bridge the skills gap in public finance and promote interest in commercial subjects, the department in the past two years embarked on a series of youth career guidance summits targeting young people at secondary and tertiary levels to pursue careers in the finance sector. This initiative has reached over one thousand (1000) aspiring young people in the province.
- The Department spent ninety-nine (99) per cent of its allocated budget and was able to maintain its commitment to sound financial management and good governance by ensuring the timely payment of service providers within the prescribed thirty (30)-day period.
- Despite the challenging financial environment facing municipalities, a notable achievement during the 2026/27 budget cycle is the reduction in the number of municipalities tabling unfunded budgets from fifteen (15) to ten (10), reflecting improved financial planning, budget credibility and the positive impact of Provincial Treasury's support and oversight interventions. Municipalities that remained unfunded reduced their budget deficits, from negative R10 billion to negative R8,9 billion in 2025/26, demonstrating progress in expenditure containment and financial management practices.
- In addressing persistent accumulation of unauthorised, irregular, fruitless and wasteful expenditure the department capacitated members of the Municipal Disciplinary Boards across the province to handle consequence management flowing these expenditures. The Municipal Boards are fundamental in restoring public confidence in municipal financial governance.
- Our quality assurance assessment of departments' User Asset Management Plans (UAMP's) ensured that plans are credible, properly costed and ready to address critical infrastructure needs.

- Provincial Treasury secured an additional R132 million in performance-based infrastructure incentive grant system, of which R90.9 million was for the Health Facility Revitalisation Grant and R41.5 million for the Education Infrastructure Grant to address maintenance backlogs in our schools and health facilities.
- The department conducted seventeen (17) site visits covering infrastructure investments of more than R2 billion, concentrating on the health and roads sectors, where most of the provincial infrastructure budget is allocated. The purpose was to confirm that the money spent produced real, functional assets that communities can utilise.
- In 2025, the Provincial Treasury undertook to implement intervention measures to expand the provincial own revenue base which yielded positive results.
- The partnership with provincial departments, coupled with continuous monitoring and dedicated support on revenue management, enabled the province to achieve a significant improvement in revenue collection which increased from R1.221 billion during 2024/25 to R1.418 billion in the 2025/26 fiscal year.
- The Department further delivered customised Supply Chain Management capacity-building interventions for provincial departments and public entities and implemented extensive bid committee training to strengthen governance and improve procurement outcomes.
- Provincial procurement expenditure amounting to R5.3 billion, representing forty (41) per cent of total procurement spending, benefited two thousand, nine hundred and fifty-seven (2 957) women-owned enterprises, while R2.2 billion, representing seventeen (17) per cent of procurement expenditure, benefited two thousand, five hundred and ten (2 510) youth-owned enterprises.

- Supplier development and outreach programmes ensured that one thousand four hundred and sixty-eight (1 468) businesses were registered on the Central Supplier Database. A total number of one hundred and eighty-nine (189) supplier development workshops were conducted, reaching more than four thousand, one hundred (4 100) suppliers and positioning them to participate meaningfully in economic opportunities created through public procurement.
- The collaborative efforts to improve audit outcomes in departments and public entities in 2024/25 resulted in a slight improvement with eleven (11) departments receiving unqualified audits and two (2) were qualified with reduced paragraphs as compared to 2023/24 whereby twelve (12) departments were unqualified and one (1) qualified.
- Public entities on the other hand slightly improved in 2024/25 with eight (8) entities unqualified, two (2) qualified and four (4) receiving disclaimers as compared to 2023/24 whereby six (6) entities were unqualified, six (6) qualified and two (2) received disclaimers.
- Provincial Internal Audit completed one hundred and sixty-one (161) audit assignments during the 2025/26 financial year based which resulted in recommendations being made to departments. The recommendations enhanced and improved the effectiveness of risk management, governance and internal control processes.
- The scope of Information Technology (IT) audits was also expanded by the procurement of an IT vulnerability assessment tool, and this was subsequently used to scan networks at six (6) departments and make recommendations for the improvement of cybersecurity.
- Twenty-seven (27) pre-award audits of bids above R10 million were performed. The procurement value audited amounted to R1.8 billion.

- An asset verification tool has been developed internally and rolled out to four (4) Provincial Departments and one (1) public entity. This tool will improve physical verification of assets.

These achievements demonstrate our commitment as a department to continuously improve and ensure that our mandate is realised.

KEY PLANS FOR 2026/27

Honourable Speaker, to deliver on its mandate of providing strategic oversight, strengthening governance systems to departments and public entities as well as supporting municipalities, the department has been allocated an amount of **R659 million** for the 2026/27 financial year which will be utilised to fulfil our mandate across the four programmes as outlined below.

The **Administration Programme** receives R199.863 million which will be utilised to provide policy direction, provision of financial management services to the department and overall administration and well-being of employees through the following:

- In our quest to invest in young people, the department will strengthen partnerships with FASSET, PSETA, LGSETA and other Sector Education and Training Authorities to expand internship and learnership opportunities.
- Funding has been secured for twenty (20) graduate interns from PSETA and fourteen (14) Learners for the Internal audit technicians Learnership (IAT) will commence in July 2026.

- Applications for one hundred and sixteen (116) learnerships have been lodged with LGSETA for funding of placement opportunities within municipalities and public institutions.
- Ten (10) officials have been selected to be taken through the Recognition of Prior Learning (RPL) programme. Through this programme officials with matric are being capacitated to obtain NQF level 6 which will enable them to apply for positions that require post matric qualifications.
- Plans are underway for the establishment of a Chartered Accountancy pathway and a Records Management Learnership Programme to develop scarce skills and create sustainable professional opportunities for young people.
- A commitment has been made to ensure that all payments are processed within thirty (30) days following the receipt of valid invoices, in full compliance with the applicable legislative and regulatory prescripts including commitment to sustain the clean audit.
- Intensification efforts are underway to enhance procurement opportunities for designated groups, including women, youth, persons with disabilities, and military veterans, thereby advancing inclusive economic participation and economic transformation.
- The department will continue to strive towards maintaining a clean audit outcome through ethical leadership, sound governance, and prudent financial management practices.

Honourable Speaker, the Sustainable Resource Management Programme is allocated an amount of R195.330 million to monitor provincial budget spending, support municipalities on financial matters as well as to perform macro-economic analysis and fiscal policy responsibilities. The following key interventions will be delivered on:

- Revenue enhancement at local government level remains a strategic priority. We will finalise and implement the revised Provincial Revenue Enhancement Strategy, strengthen the Provincial Revenue Forum and intensify support to municipalities through improved billing systems, enhanced customer data management, stronger revenue collection practices and more effective debt collection mechanisms.
- The implementation of Phase One (Rescue Phase) of the approved Mandatory Financial Recovery Plans has been underway for two years and six months in Naledi Local Municipality, Madibeng Local Municipality, Kgetlengrivier Local Municipality and Tswaing Local Municipality. The implementation of Voluntary Financial Recovery Plans has been underway for one year and five months in Maquassi Hills Local Municipality and Mamusa Local Municipality. An FRP oversight committee has been established to fast-track progress.
- The Provincial Treasury undertook a comprehensive review of the Financial Recovery Plan implementation framework and adopted a recalibrated FRP implementation strategy. The revised approach is designed to sharpen the focus of the FRP implementation by prioritising high-impact and non-negotiable recovery activities that directly address the root causes of municipal financial distress. The objective is to accelerate the implementation of Financial Recovery Plans and support municipalities in progressing from the Rescue Phase towards financial and institutional stabilisation.
- The intervention at the City of Matlosana, Madibeng, Tswaing, Kgetlengrivier Local Municipalities will adopt a more intrusive approach through the implementation of Section 139(5)(c) of the Constitution.

- This intervention empowers the Provincial Executive Council to assume responsibility for the implementation of the approved Financial Recovery Plan where municipal capacity and governance weaknesses have significantly impaired implementation progress. This approach reflects government's commitment to taking decisive action where necessary to restore financial stability, strengthen governance and safeguard service delivery.
- As part of the revised intervention framework, the Terms of Reference of the Provincial Executive Representatives (PERs) have been reviewed and aligned to the new strategy.
- Provincial Treasury will prioritise the strengthening of municipal financial management capacity through a comprehensive Budget and Treasury Office (BTO) Capacity Assessment in partnership with the North-West University Business School. The assessment will identify skills gaps, organisational weaknesses and the root causes of recurring audit findings and financial management challenges.
- The outcome will guide future capacity-building initiatives, organisational development interventions and strategies to reduce dependence on consultants while building capable and sustainable municipal finance institutions.
- Municipal debt owed by organs of state remains a significant risk to municipal financial sustainability and cash flow, with municipalities reporting R1.007 billion outstanding as at March 2026. To address this challenge, Provincial Treasury has strengthened intergovernmental coordination and support through the Provincial Dispute Resolution Committee and existing Intergovernmental Relations (IGR) structures to resolve long-standing billing, ownership and account-related disputes.

- Technology and innovation will play an increasingly important role in improving public financial management. Enhanced expenditure analytics, Power BI (Business Intelligence) reporting systems and infrastructure monitoring mechanisms will strengthen oversight and improve expenditure efficiency.
- Provincial Treasury is in the process of reviewing the current organisational structure of the Infrastructure Directorate with the sole aim of expanding it to address and intervene in the delivery of infrastructure in municipalities as well as departments.
- The Provincial Treasury has embarked on a process to assist departments to widen their own revenue bases. This will include assessing services that are currently rendered free of charge with a view of introducing levies where possible. Provincial Treasury will continue to support the implementation of respective departmental revenue enhancements strategies.
- The lessons from compiling departmental revenue enhancement strategies will be used for guiding drafting provincial entities revenue enhancement strategies in the ensuing fiscal years. Provincial Treasury will be benchmarking with other provinces and will adopt best practices, to enhance revenue management systems for improved revenue mobilisation and collection.
- It is important that the province augments the equitable revenue share received from the national government through Public Private Partnership and one of such initiative is the establishment of the Development Fund. An amount of R15 million has been set aside during the 2026/27 financial year to operationalise the North West Development Fund.

- This initiative seeks to leverage private sector expertise, innovation and investment to address infrastructure and economic development challenges facing the province in order to address the budget shortfall and lessen the over-reliance on equitable share.
- Infrastructure site visits will tighten the line between what is reported on infrastructure and what is spent and delivered.

Honourable Speaker, the Asset and Liability Management Programme will utilise the allocated R67.993 million to implement the provisions of the Public Procurement Act, service the public through the following:

- The department will continue to provide technical guidance and oversight to departments and public entities to strengthen procurement governance, improve compliance and support improved audit outcomes.
- Support for preferential procurement in line with section 217(2) of the Constitution will be intensified to position the province to take advantage of opportunities emerging from the implementation of the Public Procurement Act, 2024. This legislation creates opportunities to expand procurement participation for women, youth, persons with disabilities, military veterans and locally based enterprises.
- Provincial Treasury will continue reviewing and issuing strategic Supply Chain Management instructions, strengthen transparency measures relating to procurement disclosures and enhance compliance monitoring across provincial institutions.
- The department will continue to accelerate facilitation of transversal contracts for strategic commodities to leverage economies of scale, improve value for money and reduce procurement risks that contribute to irregular expenditure.

To prohibit government employees from conducting business with the state, we will intensify and strengthen our control measures to safeguard the integrity of our procurement processes. We will also capacitate Supply Chain Management (SCM) officials to effectively utilise the Central Supplier Database (CSD) in identifying any state employees who may have registered business interests.

These measures will serve not only as a control mechanism but also as a proactive and preventative step to root out and deter the awarding of procurement transactions to officials of the state.

Honourable Speaker, the Financial Governance Programme receives R195.921 million to provide technical financial support, capacity building to departments and public entities as well as to provide a shared provincial internal audit service. The programme will deliver on the following:

- In pursuit of improved audit outcomes, the Provincial Treasury will intensify its oversight and strengthen internal control systems across all departments and entities in line with the clean audit strategy which now targets ten (10) departments and seven (7) public entities. We are implementing a structured programme of monthly compliance reviews, ensuring that financial reporting is timely, accurate and aligned with the Public Finance Management Act and Treasury Regulations. The aim is to reduce irregular expenditure and enhance the credibility of our financial statements.
- To reinforce accountability, the Office of the Provincial Accountant General will introduce enhanced reporting mechanisms that demand transparency at every level of financial management. Non-compliance will trigger corrective measures coupling accountability with consequence management.

- This will ensure that public funds are managed responsibly, that audit findings are systematically addressed and that the province moves decisively towards clean administration and improved audit outcomes.
- Efforts are being made to roll out the asset verification tool to all Provincial Departments and Public entities who currently do not have automated asset verification platforms.
- In line with the EXCO resolution, the Internal Audit and Audit Committee functions of the Department of Education is currently being incorporated into the Provincial Internal Audit to a centralised Audit Committee.

Consistent with our previous call, departments, entities and municipalities are once more encouraged to urgently commence with the process of delisting businesses that are currently failing to deliver within their contractual obligations.

Honourable Speaker, let us appreciate the release of the 2025 Municipal Audit Outcomes Report by the Auditor General, Ms Tsakani Maluleke which reflects an overall improvement in the audit outcomes of our municipalities for 2024/25 financial year.

We also take this opportunity to acknowledge the work that is currently being done by the Provincial AG's Office of weekly working with the "targeted clean audit municipalities" relating to all areas of non-compliance in an effort to address such areas long before submission of the municipal AFS by end of August 2026.

Conclusion

Honourable Speaker, as we move forward, let us draw inspiration from the resilience of the youth of 1976. Let us remain steadfast in our pursuit of a prosperous, inclusive and capable North West Province.

Let us work together to ensure that future generations inherit a province that is stronger, more equitable and better positioned to realise its full potential.

Indeed, as our people wisely remind us, "*Rain ruins the road, but it makes the grass grow.*" While challenges may test our resolve, they also create opportunities for renewal, growth and transformation. The road ahead may not always be easy, but with sound leadership, responsible governance and collective effort, a brighter future remains within our reach.

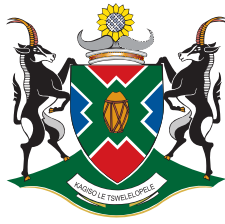
Mmusakgotlha, bogatlhamelamasisi jwa basha ba ngwaga wa 1976 bo re gwetlha go tswelatsa maitlhommo a rona a puso a go tlhoma mananeo a a ungwelang basha. Seno ke bonnye bo re ka bo dirang go bontsha tloto le go lebogela kgololesego e e tlileng ka botswasetlhabelo jwa balwelakgololesego ba rona.

As we commemorate fifty years since the historic uprising of 1976, it is our collective duty to ensure that the sacrifices of that generation are honoured not only in words, but through tangible improvements in the lives of our people, especially the youth of today.

Honourable Speaker, I hereby present the Budget Vote of the Provincial Treasury for consideration by this August House as follows:

2026/27 PROVINCIAL TREASURY BUDGET ALLOCATION	
Programme	Amount – R'000
Administration	199 863
Sustainable Resource Management	195 330
Asset and Liability Management	67 993
Financial Governance	195 921
Total	659 107

I thank you



provincial treasury

Department:
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REPUBLIC OF SOUTH AFRICA



BUILDING A
NORTH WEST PROVINCE
THAT WORKS **FOR ALL**



WE BELONG



WE CARE



WE SERVE