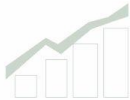




# BUDGET VOTE SPEECH

Mr PS Ngomane, MPL  
MEC for Finance, Economic Development  
and Tourism,  
25 June 2020

Mpumalanga Legislature Chamber,  
Baobab Building,  
City of Mbombela



**Let's STOP the spread.**

Wash hands. Wear mask. Keep social distance.



Let's Grow Mpumalanga together



provincial treasury  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



**SPEECH BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND  
TOURISM, MR. PAT NGOMANE (MPL) DURING THE VIRTUAL TABLING OF  
THE BUDGET VOTE OF THE PROVINCIAL TREASURY FOR THE 2020/21  
FINANCIAL YEAR**

**25 June 2020**

Honourable Speaker and Deputy Speaker  
Honourable Premier  
Colleagues in the Executive Council and Honourable Members of the Provincial Legislature  
Director-General, Head Official and all senior government administrators  
The leadership of trade unions  
Officials in the Provincial Treasury  
Citizens of Mpumalanga  
Ladies and Gentlemen

It is with distinct honour that I table the Budget Vote of the Provincial Treasury to this house today.

This policy statement is anchored on the Provincial Fiscal Framework, which I had the honour to present to the very same house in March this year (2020).

The 2020/21 Appropriation Bill proposed the allocation of financial resources to fulfil the policy priorities emanating from the electoral mandate.

The Bill sought to ensure that the aspirations of our people continue to enjoy prominence and find expression in resources allocation strategy of the Province.

Honourable Speaker, we are tabling this Policy and Budget during a critical month in the history of the struggle for freedom and democracy.

The month of June represents a turning point and a significant shift in youth politics and student movement in our Country.

The youth of 1976 demonstrated their will power to use all means appropriate at the time to fight for educational justice and freedom.

The youth of today must also rise to the occasion, as they always do, to help their country to overcome the present socio-economic challenges that are worsened by COVID-19.

We reiterate the message of President Cyril Ramaphosa on the occasion of the anniversary of June 16 last week that *this government will continue to support our young people from cradle right through to young adulthood.*

We will continue to use state capacity to distribute opportunities for development and participation of youth in the economy.

Honourable Speaker

Provincial Treasury derives its mandate from the Public Finance Management Act and Municipal Finance Management Act which guide budgeting, cash management, performance reporting and financial accounting amongst others.

In line with the relevant provisions of this legislation, the Provincial Treasury continues to work towards improving the financial performance of departments, public entities and municipalities in the Province.

R440.5 million is allocated to advance the principal mandate of the Provincial Treasury during the 2020/21 financial year.

### **Administration**

The administration component of the Department is allocated R110.8 million to provide strategic policy and operational support to all three treasury functions in the Department.

The programme will focus on cultivating a conducive environment for staff to provide essential support that enables prudent financial administration in the Department and throughout the provincial administration.

Given the current health pandemic, the programme will review the operational requirements to enable full compliance with the Occupational Health and Safety Act as well as all health protocols in the fight against COVID-19.

The programme is expected to ensure that the Provincial Treasury maintains a clean audit outcome this financial year.

### **Sustainable Resource Management**

Honourable Speaker

To ensure oversight on the Provincial budget, and provide municipal support, infrastructure delivery and drive revenue enhancement strategy, R75.6 million is allocated to programme two - Sustainable Resource Management Programme.

The budget also makes provision for intervention programmes to support municipalities on financial administration and also to improve infrastructure delivery in the Province.

The Programme will also focus on resetting the revenue targets and readjusting our budget, given the significant impact of COVID-19.

### **Assets and Liabilities Management**

Honourable Speaker

The largest allocation within the Vote at R221.2 million is given to Assets and Liabilities Programme, which includes Interlinked Financial System, Provincial Supply Chain Management and Information Technology support services to all departments in the Province.

The role of the programme is increasingly becoming more prominent due to the digitalization as we transit to the accelerated fourth industrial revolution

The Programme is leading business automation to introduce efficiencies that will ensure that the taxpayers' money is spent on those things that are of the highest priority to our people.

The following online systems are being introduced this year:

- The electronic leave management to enable officials to apply for a leave of absence online or on their cellphones using the web and mobile application.
- Electronic Invoice Tracking and Payment to enable service providers to submit invoices online and track the progress or status of their invoices using their mobiles, and
- Automated financial statements which will relieve CFOs of many days spent in the preparation of financial statements.

We have already started the process of identifying other business processes for automation in the coming period.

We will engage various Departments and Public entities, starting with the Department of Community Safety, Security and Liaison on the process of automating motor licensing services amongst others, to improve efficiencies in revenue collection, and importantly, to make it easier for users to comply with regulations.

## **Financial Governance**

Honourable Speaker

Programme Four (4) is allocated R32.8 million to focus on key areas such as Risk assessments, Financial Statements disclosures, Internal Audit and remedial action plans on audit findings.

This will be done to assist public sector institution to ensure that risk assessments include all high-risk areas identified for the internal audit activities to effectively focus on those areas where the risk of exposure is the greatest.

The Programme will furthermore analyze the improvement plans and advise institutions on the areas where coverage is not sufficient or where the plans are not inclusive of all key internal control areas that require attention.

Furthermore, interim financial statements will be reviewed to prepare public institutions to make correct and complete disclosures in the annual financial statements submitted to the auditors.

To ensure that governance structures play their role as envisaged, Audit Committees and Risk Management Committees are evaluated according to specific criteria and recommendations are made to improve these Committees' effectiveness.

It is imperative that Accounting Officers utilize specialized services such as their internal auditors to ensure effective internal controls are implemented and maintained to prevent irregular transactions.

Practitioners and Committee members in the field of internal audit, risk management and finance will be supported, and capacity building initiatives will be implemented to improve their effectiveness.

We call upon all Provincial departments and entities to provide the necessary support to municipalities to sustain service delivery to our people. This year, our focus will be on supporting all municipalities to improve budgeting and governance.

In particular, we will pay closer attention to the implementation of the financial recovery plans to set identified local municipalities on a path of growth and development.

Honourable Speaker

We will further support public entities in improving financial reporting and accounting as part of our commitment to steer the whole of government towards clean administration and governance.

In line with our commitment to professionalize the financial management in the Province, we have partnered with the South Africa Institute of Professional Accountants to develop a pool of professional finance officials who will maintain high ethical standards and implement governance protocols.

Out of twenty-three (23) officials who registered on the SAIPA programme in 2019, seventeen (17) or seventy-four (74) per cent were certified as competent.

This year, we will enroll another twenty (20) officials to improve the professional competency of finance officials in the administration.

We will furthermore pursue relations with other professional bodies and partner with them to increase the pool of professional officials.

### **Acknowledgements**

As I conclude, let me take this opportunity and thank:

- Premier Hon. Refilwe Mtshweni-Tsipane for your leadership and counsel, and my colleagues in the Executive Council for their support.
- Chairperson, Hon Mohita Latchminarain and all Members of the Portfolio Committee on Premier's Office, Finance, Economic Development and Tourism, for your frank engagements and guidance on the plan of the Department;
- Head of Provincial Treasury, Ms. Gugu Mashiteng, Staff in the Office of the MEC for a well-prepared plan to support the administration on resource management and accountability;
- The African National Congress for entrusting me with this responsibility to oversee the provincial fiscus, and last but not least.
- My supportive family.

I now have the honour of tabling the Policy and Budget Statement for Vote 3: Mpumalanga Provincial Treasury for the 2020/21 financial year for consideration and approval by this August House.

I thank you