



finance

Department:
Finance
MPUMALANGA PROVINCIAL GOVERNMENT

**Provincial Adjustments Budget Speech
by MEC for Finance, Economic Development and Tourism
Hon. Sikhumbuzo Kholwane, MPL**

18 November 2014

Mbombela

Together We Move South Africa Forward



**SPEECH BY MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM,
MR SIKHUMBUZO KHOLWANE DURING THE OCCASION OF THE TABLING OF
THE PROVINCIAL ADJUSTMENTS BUDGET FOR 2014/15, MPUMALANGA
PROVINCIAL LEGISLATURE, MBOMBELA**

18 November 2014

Honourable Speaker and Deputy Speaker
Honourable Premier, Mr DD Mabuza
Honourable Members of the Executive Council
Honourable Members of the Provincial Legislature
Executive Mayors and Members of the Mayoral Committees
Chairperson and Members of the House of the Traditional Leaders
Director General, Dr Nonhlanhla Mkhize
Head of Department of Finance, Ms Nombedesho Nkamba and other Heads of
Department
Representatives of Labour, Business, Civil Society and the Media
Esteemed guests
People of Mpumalanga

Sanibonani nonke!

We wish to take this opportunity and thank the South African Government for doing everything within its power to intervene in the repatriation of the mortal remains of our fellow South Africans who tragically lost their lives in Nigeria.

As the Honourable Premier DD Mabuza indicated yesterday during the memorial service, the delayed repatriation of our beloved ones has aggravated the pain, agony and trauma of the bereaved families.

We share the grief of all the affected families during this difficult time.

Madam Speaker

The 2014 Adjusted Estimates of Provincial Revenue and Expenditure that I have the honour to table here today remain firmly focused on addressing, step by step, the long term transformation challenges of our Province.

While responding to the challenges of the global economic meltdown, our primary focus remains the radical transformation of the economic structure, and progressively building a shared future in which we take pride in the quality of public services, and the creation of jobs for our people.

This shared vision and the collective national commitment is to **Move South Africa Forward** and it is guided by the commitments set out in the 2014 Manifesto of African National Congress and the 2014 State of the Province Address (SOPA).

The Manifesto and SOPA are instructive to the priorities of job creation, education and health amongst others. For us to grow the provincial economy we will need an educated and healthy citizens and workforce. We have accordingly translated the priorities therein into the government's medium term spending plan.

The Honourable Premier in his State of the Province Address in June 2014 provided further clarity of our marching orders when he said, and I quote:

“The National Development Plan provides a detailed roadmap for development in the years leading up to 2030. It is a national plan that aims to eliminate poverty and reduce inequality by 2030, and it “lays the foundation for long term planning for the radical socio-economic agenda over the next 20 years.”

Notwithstanding the Provincial fiscal envelope which remains extremely under pressure, we had to respond to the challenges as indicated in the State of the Province Address and mid-year performance and spending reports of different Provincial Departments.

To this end, the 2014 Adjusted Estimates of Expenditure seek to provide for the following imperatives:

- To build provincial economic capacity through a heightened fiscal discipline, guided by collective commitments to shift government's expenditure from consumption to investment, and
- To ensure that the principles of intergenerational equity are not compromised so that future generations do not have to pay debts for our comfort today.

In this context, the 2014 Adjustment Budget includes a substantial real increase in social and economic infrastructure spending such as the construction of schools, road networks, hospitals, bulk water supply and housing to underline our commitment to an integrated human settlement and the provision of basic services.

It is our considered view that any post 1994 Treasuries, must assist to regulate and re-orientate the economy to meet the needs and aspirations of a new democratic dispensation through credible fiscal policies and decisions.

Madam Speaker

ECONOMIC AND FISCAL ENVIRONMENT

Our national and provincial economic prospects are interconnected with the global developments. The world economic recovery remains slow and the outlook is fragile and uneven.

South African Economic Outlook

The domestic economic growth outlook remains weak, following growth rates of minus 0.6 per cent in the first quarter and positive growth of 0.6 per cent in the second quarter of 2014.

The Medium Term Budget Policy Statement (MTBPS) of 22 October 2014 points to a reduced economic growth rate of only 1.4 per cent this year for South Africa – much lower than the 2.7 per cent forecasted in the 2014 National Budget in February 2014.

The downward revision of the national growth rate is partly because of the weak global economic environment, but it also reflects obstacles and structural challenges in the economy such as energy constraints, labour market disruptions, skills shortages, administrative shortcomings and difficulties in our industrial transformation.

Provincial Economic Outlook

Honourable Speaker

The provincial economic growth rate has also been revised downward to only 1.3 per cent this year. For the period ahead up to 2018, Mpumalanga's growth rate is expected to be very much in line with the national growth expectations of more or less an average of 3 per cent per annum.

We are concerned about the performance of the two largest economic industries (manufacturing and mining) of Mpumalanga.

According to the national GDP (gross domestic product) figures for the first and second quarter of 2014, these industries experienced negative economic growth rates, which mean that both of them are technically in a recession.

This situation impacts negatively on the provincial GDP growth and job creation.

Provincial Labour Market

The high unemployment rate remains one of the Province's central challenges. The provincial unemployment rate was measured at 29.3 per cent at the end of the third quarter of 2014. Almost 75% of the unemployed are young people below the age of 35 years.

According to the latest Quarterly Labour Force Survey (QLFS) of Statistics South Africa, Mpumalanga experienced a net job creation of only 8 000 jobs in the third quarter of 2014 and net job losses of 14 000 on an annual basis.

The construction industry was the main contributor to job creation in Mpumalanga on a quarterly and annual basis, supported by the finance and transport industries. Private households, trade, agriculture and utilities however, experienced job losses between the end of the third quarter of 2013 and the end of the third quarter of 2014.

Fiscal Consolidation

The relatively weak economic performance and outlook places public finances in South Africa (including Mpumalanga) under increasing pressure. It is possible in these circumstances for rising debt levels to absorb more and more of government spending.

We cannot afford to spend less on programmes that are aimed to improve the lives of our people – especially those living in poverty.

We must therefore take note of and respond to the proposed medium-term fiscal policy package of the Minister of Finance to re-establish a sustainable foundation for public finances. They represent a course for adjustment in line with the weak economic growth of the last couple of years, and a moderate GDP growth outlook.

The fiscal package include elements such as reducing growth in government spending, adjusting tax policy and administration, strengthening budget preparations with greater emphasis on long term planning and efficient resource allocation, and also freezing government personnel headcounts.

All these proposals should and must impact positively on service delivery.

We must commit to maximizing efficiency in Government, including through specific focus on procurement costs, implementation of cost containment measures, fostering a culture of doing more with less and also continuing to fight waste and corruption.

Responding to the economic challenges

Honourable Speaker

The Provincial Government and the private sector should work together to respond to the growth and job creation challenge of our Province. Accordingly,

- the plans and interventions in identified sectors must be in line with the Mpumalanga Economic Growth and Development Path (MEGDP);
- LED (local economic development) Forums must develop effective strategies to address the economic challenges of every local municipal area and to realise higher economic growth and job creation. Moving forward we must give greater attention to township economic development;
- investment is always at the heart of creating jobs and economic growth. We must therefore create an investment-friendly environment to attract investment from the rest of South Africa and abroad, to build infrastructure, create jobs and stimulate growth in the Province;
- we should look at different funding models in financing development projects which include PPPs (Public Private Partnerships), amongst others.
- we must make it easy to establish new businesses, and increase opportunities for young entrepreneurs to participate effectively in growing the economy, and
- we must ensure that the expenditure on Small, Medium and Micro Enterprises (SMMEs) and Cooperative Development is making a positive impact on job creation.

Honourable Speaker

We have started a conversation with the finance industry to explore the opportunities for cooperation and to streamline business processes in line with expectations as envisaged in the National Development Plan (NDP) and Mpumalanga Economic Growth and Development Path. We agreed to establish a structured engagement with the industry in the Province to advance the societal development programmes through partnerships.

PERFORMANCE REVIEW

Mid-year provincial expenditure

Honourable Speaker

The Provincial Government has spent 48.5 per cent of the provincial budget amounting to R36.4 billion by 30 September 2014, compared to 48 per cent in the same period last year.

The expenditure on Compensation of Employees was 47.2 per cent in the first six months, compared to 48.5 per cent in the same period in the 2013/14 financial year.

The spending on transfers and subsidies, especially to schools and Non-Governmental Organisations, has increased in the first six months of 2014/15 compared to the previous financial year.

We have previously assisted the No-Fee schools and Non-Governmental organisations to prepare and audit financial statements. We look forward to extending the support to all other Non Profit Organisations that access funding through government. We also hope the support will enable them to source funding outside of Government to improve service they provide to our communities.

Spending on conditional grants has remained constant at 50 per cent between the two financial years.

We have also retained 90.4 per cent of unspent conditional grants funds to complete unfinished projects which were started in the previous financial year.

The level of expenditure is improving but not at the desired level given the pressing needs of society.

Let me reflect on progress against some of the commitments made during the tabling of the Main Appropriation, in March this year.

Review of System of Financial Delegations

We have assisted all municipalities to review the System of Financial Delegations. The review has amplified and created awareness on the roles of the Councils, Executive Mayors and officials in terms of the Municipal Finance Management Act (MFMA).

Improvement of Billing Systems in municipalities

The billing system of the municipalities must be credible to improve their relationship with the rate payers.

As part of supporting the municipalities, we allocated funds to support the rollout of data cleansing project in Thaba Chweu, Dr JS Moroka, Dipaleseng, Msukaligwa and Thembisile Hani Local Municipalities. We have also reprioritised **R3 million** from the budget of the Department of Finance towards data cleansing project in Emalahleni Local Municipality.

The Provincial Government has also entered into a partnership with SASOL, through its *Kusasa* Project, to extend data cleansing to Dr Pixley Ka IsaKa Seme, Lekwa, Msukaligwa, Dipaleseng, Govan Mbeki and Chief Albert Luthuli Local municipalities. Notwithstanding the delays in the commencement of the project, this support will be extended to Ehlanzeni and Nkangala District municipalities on completion of the work in the municipalities in the outer years of the medium term framework.

We would like to see the Data cleansing project prioritising the corporate clients to assist the municipalities to increase revenue which is needed to invest in service delivery programmes.

Accruals

Accruals are unpaid accounts from a previous financial year. Most of the accruals, especially those that are not cash-backed, have adverse impact on service delivery.

Simply stated, a department with accruals will not be able to deliver 100 per cent of the annual performance plan targets due to the current financial year's budget being utilised to fund the accruals.

This is unacceptable. Heads of Departments must ensure that they implement systems to manage the payment of accounts on time to avoid accruals at all cost.

Payment of service providers

Honourable Speaker

Public procurement is part of the policy provision that deliberately seeks to increase participation of the small, medium and micro enterprises (SMMES) and cooperatives.

Failure to pay service providers within 30 days of receipt of invoices has adverse impact on the growth of small business and cooperatives. Non-payment of service providers affects the ability of the sector to create and retain the much needed jobs.

As part of strengthening the oversight and monitoring of payment of service providers by the departments, the Honourable Premier will issue a Provincial circular to enforce monthly compliance report on payments of service providers in line with Treasury Regulation 8.2.3.

The circular prescribes the role to be performed by the Members of the Executive Council to ensure that their respective Departments adhere to the policy instruction.

SMMES and cooperatives are strategic job drivers of provincial economy.

Intervention and support to Department of Health

Honourable Speaker

The fundamental challenge in the Department of Health was the disregard of policies and legislative prescripts relating to systems and controls, particularly in the financial and human resource management.

Our entry point therefore was to ensure that compliance is non-negotiable even before we talk about turnaround strategy.

We have activated procedures and control systems including provision for emergency situations.

Working together with the Department of Health, we developed a turnaround strategy which was approved by the Executive Council.

We are confident that the intervention team has provided the necessary support to enable the Department of Health to carry its mandated task of improving the quality of health of the people.

Let me take this opportunity and thank all members of the intervention team who were seconded to assist the Department of Health.

We need to continue to work together if we are to succeed in implementing a provincial budget that prudently addresses complex problems that face our communities today.

We are inspired by Henry Ford's words of wisdom when he said: *"Coming together is a beginning. Keeping together is progress. Working together is success"*.

Honourable Members,

REVENUE ENHANCEMENT

Our ability to provide expanded services is depended on the available resources.

The Province contributes only 2% of own revenue to the total Provincial Fiscal Framework.

Given the current fiscal environment and pressing needs of society, there is a need for the Province to enhance revenue generation. We will focus on identification of new revenue sources and maximisation of current revenue streams.

PROVINCIAL ADJUSTMENT BUDGET

Honourable Speaker

The National fiscus does not provide for in-year additions to the Equitable Share of the Provinces. The National Government will however not reduce the allocation to the Province for Comprehensive HIV and AIDS and the National School Nutrition Programme Grant in the current financial year or the outer years.

Despite the current fiscal situation, the ANC government will continue to provide resources to enable access to social services, agriculture and integrated human settlements, amongst others.

The cost curtailment measures will be reinforced to identify goods and services expenditure that can be eliminated without affecting service delivery.

A culture of doing more with less is required from all. *We must cut our coat according to cloth.*

Budget strategy

This adjustment budget is underpinned by the strategy of ensuring continuous improvement in government services and delivery through:

- maintaining the value of core social expenditure programmes while sustainably increasing capital investment;
- sourcing funding from the savings from within baselines, or where implementation has been phased-in to expand or introduce new programmes;

- introducing better alignment and coordination across government in order to improve programme effectiveness without requiring additional funds;
- improving use of public resources and identifying savings to finance policy priorities without affecting service delivery;
- restructuring the way departments and agencies work to eliminate inefficient resource allocation and overlapping mandates, and
- re-scheduling of funds from one financial year to another depending of the state of readiness of the programmes to deliver.

To this end, I would like to thank all the Members of the Executive Council who assisted in shaping the budget strategy, and also the Director General and Heads of Department for their technical advice during the Medium Term Expenditure Engagements.

ALLOCATIONS PER VOTE

I will now turn to adjustments to the votes:

The total Provincial Fiscal Framework increases from **R36.469 billion** to **R37.068 billion**. The increase of **R598.421 million** is due to rollovers; rescheduled funds for water reservoirs; funding received from the National and Provincial Fiscus for the repairs of storm-damaged infrastructure during 2013/14 and 2014/15 financial years; provision for social relief programmes; infrastructure upgrades, construction of sewer and water treatment works, all which are adjusted to the respective departmental baselines.

Vote 1: Office of the Premier

The Office of the Premier receives a net increase of **R11.448 million** which adjusts the budget from **R205.372 million** to **R216.820 million**. Included in the adjustment are allocations for the establishment of the Desks for Elderly Persons and Youth; Inauguration, Imbizo and the Information and Communication Technology in the Office of the Premier. The function of the Office of the Status of the Disabled Persons and Office on the Rights of the Child is shifted to the Department of Social Development with a budget of **R4.552 million**.

Vote 2: Provincial Legislature

The Provincial Legislature's budget increases by **R17.633 million**, from **R273.488 million** to **R291.121 million**. The increase includes voted funds that remained unspent during 2013/14 financial year as well as revenue generated by the

Legislature amounting to **R1.513 million** and **R6.120 million** for public participation and education in order to encourage the community to participate in law making processes.

The Legislature has experienced challenges in respect to the IT systems in the Chamber and Committee rooms. **R10 million** is allocated for upgrading of the public display in the Chamber and Committee Rooms.

Vote 3: Finance

The Department of Finance receives a net increase of **R7.855 million**, adjusting the budget from **R268.169 million** to **R276.024 million**. The Department receives an additional allocation of **R10 million** to cover cost of the intervention at the Department of Health. The statutory and operational budget of **R2.145 million** will be transferred to the Department of Economic Development and Tourism.

Vote 4: Co-operative Governance and Traditional Affairs

The net increase on the budget of the Department of Co-operative Governance and Traditional Affairs amounts to **R54.295 million**. This increases the allocation from **R418.792 million** to **R473.087 million**. Included in the increase is an amount of **R31 million** rescheduled from the previous financial year for the provision of water reservoirs in the municipalities and **R18 million** for procurement of equipment for Disaster Management Centre. **R12.773 million** was added as a rollover on the Equitable Share funding.

Vote 5: Agriculture, Rural Development, Land and Environmental Affairs

The Department of Agriculture, Rural Development, Land and Environmental Affairs' budget decreases by **R15.986 million** from **R1.071 billion** to **R1.055 billion**.

Honourable Speaker and Members, agriculture remains one of the key sectors that should contribute significantly to economic growth and job creation. We are concerned that this sector has not been growing at its full potential.

As we strengthen efficiencies in the Department of Agriculture, Rural Development, Land and Environmental Affairs, we will continue to focus on improving expenditure in key strategies and programmes aimed at growing the agricultural sector.

We will continue our spending on the agricultural sector to improve the lives of the people by providing comprehensive support to increase production. The Department should ensure that the spending impacts positively on the agricultural sector from a job creation and economic growth point of view.

Vote 6: Economic Development and Tourism

The budget of the Department of Economic Development and Tourism decreases by **R92.679 million** from **R861.772 million** to **R769.093 million** due to a function shift of Environmental Affairs to the Department of Agriculture, Rural Development, Land and Environmental Affairs with a budget of **R86.338 million**.

Vote 7: Education

The allocation of the Department of Education increases by **R160.534 million** from **R16.102 billion** to **R16.263 billion**. Included in the increase is a conditional grant roll over of **R16.723 million** from the National School Nutrition Programme Grant and **R10.602 million** from the Equitable Share rollover.

Through a process of reprioritization, an amount of **R50 million** is also included to provide for Learner Teacher Support Material (stationery) and **R5.4 million** to repair school infrastructure damaged by storms. **R120 million** is also added to the baseline to build a new school in Thekwane North and rebuild Mathibela and Mugena Schools.

The Department will reprioritise within its baseline **R30 million** towards water and sanitation programme in schools and well as **R20 million** towards bursaries.

Vote 8: Public Works, Roads and Transport

The budget of the Department of Public Works, Roads and Transport increases by **R47.954 million** from **R4.193 billion** to **R4.241 billion**. This increase includes funding of **R35.750 million** from the Disaster Recovery Grant to repair and replace infrastructure damaged as a result of declared disasters that occurred during the 2013/14 financial year, and **R1.021 million** from the Equitable Share rollover. **R40 million** of this increase is allocated for the Coal Haulage road infrastructure which signifies the Provincial Government's commitment towards improving this strategic road network.

Vote 9: Community Safety, Security and Liaison

The Department of Community Safety, Security and Liaison's budget reduces by **R8.954 million** from **R1.027 billion** to **R1.019 billion**.

A portion of the allocated funds is rescheduled whilst the construction of the Traffic College is progressing.

We would like to thank the Road Traffic Management Corporation for donating R40 million to support the road safety programme of the Department.

Vote 10: Health

Honourable Speaker

This adjustment demonstrates Government's commitment towards funding the Department of Health at the required National Funding Norm. The funding norm will be reached during the 2015/16 financial year.

The net increase of the budget of the Department of Health is **R40.937 million**, taking the allocation from **R8.991 billion** to **R9.032 billion**.

Included in this increase is an amount of **R5.703 million** for conditional grant roll over from the National Tertiary Services Grant and National Health Insurance and **R35.234 million** is to fund the various allowances that are due and payable to the officials in the Department.

The Department has reprioritized **R170 million** of which **R70 million** is for building of Sabie Hospital, while the balance will fund major cost drivers in goods and services.

Vote 11: Culture, Sport and Recreation

Arts and Culture plays a crucial role in nation-building, social cohesion, developing a national identity and has the potential to make a significant contribution to economic development and job creation in this context the Department of Culture, Sport and Recreation receives a net increase of **R1.368 million**, increasing its budget from **R442.208 million** to **R443.576 million**.

Vote 12: Social Development

The net decrease of **R11.756 million** adjusts the Department's budget from **R1.232 billion** to **R1.220 billion**. Notwithstanding the decrease, an additional funding amounting to **R4.700 million** is allocated to the social relief programme.

Vote 13: Human Settlements

The budget for the Department of Human Settlements will increase by **R385.772 million** from **R1.380 billion** to **R1.766 billion**. Included in this allocation is **R111.270 million** as a conditional grant rollover from the Human Settlement Grant and **R12.498 million** from the Equitable Share Funding.

The roll over funding is appropriated in order to complete reticulation work in Mkhondo Municipality where 727 stands will receive water in the following areas: Maphepheni (318 stands), Malayinini (150 stands) as well as Rustplaas (259 stands).

Furthermore, **R273 million** is added to the baseline of the department for infrastructure upgrade, construction of sewer and water treatment works as well as construction of reservoirs in the following municipalities:

Govan Mbeki	- R59 million
Lekwa	- R20 million
Emalahleni	- R40 million
Bushbuckridge	- R74 million
Mbombela	- R80 million

LOCAL GOVERNMENT SUPPORT

Honourable Speaker

Municipal finance support

The Executive Council Lekgotla has adopted the Integrated Municipal Support Plan (IMSP) that was approved by the Executive Council on 10 September 2014.

We are at an advanced stage of establishing a dedicated Municipal Finance Support Unit in the Provincial Treasury.

This intervention will address the identified challenges, put the municipalities back to a better footing on legislative compliance, and improve reporting and accounting on the use of public resources.

The Integrated Municipal Support Plan is meant to create an enabling environment for the Department of Cooperative Governance and Traditional Affairs, Provincial Treasury, municipalities, SALGA amongst others to operate in an environment where good governance is the order of the day, where systems of internal control exist and are generally adhered to.

Madam Speaker it must be understood though that deviations from this controlled environment will lead to consequences to those who break the law of the land.

This is a new galaxy where all who live in it will be adhering to the laws of the land.

We are all extremely excited about operating in a well-defined space as it relates to supporting the municipalities in their mission to improve service delivery.

Minimum competency levels

Honourable Speaker

The level of skills in the financial management units of our municipalities has been a subject of many reports.

The Auditor General of South Africa has raised the challenge of vacancies in critical positions, lack of appropriately skills personnel, and weaknesses in the financial governance systems.

In order to address all these challenges, the Government introduced Minimum Competency Regulations. We enrolled 329 officials to the SAICA/DELLOITE Municipal Finance Training project, of which 281 have completed the unit standards. The Exemption Notice has also been granted to 85 municipal officials, thus extending their timeframe for compliance to the Regulations to September 2015.

SUPPLY CHAIN MANAGEMENT

Public procurement must impact on developmental challenges of the society and the broader economy. In this regard,

- the Provincial Government has already adopted measures to ensure tailored response to the dynamics of the sector of the cooperatives.
- the Intenda system is being used to enable rotation of suppliers, however there is still room for improvement on the utilisation rate by all departments.
- the Provincial Broad Based Black Economic Empowerment Plan, once implemented fully, will assist the Province to reconcile the level of competition on the supply of goods and services by the business, to ensure the required numbers of the small enterprises, cooperatives and empowered companies to do business with the Provincial Government.

We must however continue to improve the quality of bid evaluation and adjudication processes to rid ourselves of the risk of the contestation of the procurement decisions, amongst others.

The Going Back to Basics programme on this area of work will continue as per the undertaking made in this August House.

Fraud prevention system

As part of improving the system of managing risks in the procurement space, the Department introduced a fraud prevention system called Safety Web. The system went online on 3 November 2014. The system will ensure that the banking details of the suppliers are electronically verified as correct by the banks before payments are effected.

Honourable Speaker

GOVERNANCE

In as much as there is significant progress that has been made by the Province in ensuring that compliant Audit and Risk Management structures are in place, it remains a worrying factor, especially in municipalities, that requisite skills are not accordingly attracted and where they are secured, they are not retained due to affordability challenges.

We are concerned though that monitoring of the effectiveness of governance systems has not as yet led to the desired outcomes in some cases, as highlighted by the reports of the Auditor-General and Provincial Treasury.

In order to deal with this situation we need to appoint and retain suitably skilled professionals to key positions and to eliminate the risk associated with the over reliance on consultants. For risk management and internal control to be effective, the culture of ongoing monitoring and evaluation needs to be embedded in the operations of the public institutions throughout the Province.

Audit fees

All Government institutions are audited in terms of the requirements of the relevant legislation governing them. It is the responsibility of each and every Accounting Officer to ensure that his or her institution is well prepared and ready to be audited according to the audit plan as agreed with the Auditor-General South Africa. This will contribute to the effectiveness of the process and the timeous completion of the audit.

Consolidations

The consolidated financial statements of the Provincial Government report is a summary of all provincial departments and public entities' financial statements of a specific financial year that are tabled in Legislature.

The consolidations for both the departments and the public entities received qualified audit opinions due to the qualifications received by some of these institutions and this is a reflection on the Provincial Government as a whole.

We call on all implementers of the policies to improve the level of legislative compliance; secure value for public spending, and ensure that the government is both accountable and transparent in its dealings.

The audit outcomes of the Departments, Public entities and Municipalities must not paint a wrong picture about the African State.

The next audit outcomes must reintroduce a good perception to the world, and make it easier to attract investment into the Province.

CONCLUSION

Honourable Speaker and Members

I would like to convey my appreciation to the leadership collective of our glorious Democratic Movement and the Honourable Premier for entrusting me with the responsibility to oversee the provincial purse.

Many thanks to the Chairperson of the Portfolio committee on Finance, Office of the Premier, Economic Development and Tourism, Mr Pat Ngomana and the Committee Members for their guidance on matters of financial management and governance.

To my family, thank you very much for continuing to be my pillars of strength in this demanding but yet a just responsibility of leading progressive forces in and outside the government.

I would also like to convey my appreciation to the staff in the MEC's Office; the Head of Department, the Management and all the officials in the Department for their support in the execution of my duties.

20 years ago, one of the greatest sons of Africa ever produced to grace the world in our life time, the late President Nelson Mandela, when addressing the nation said, and I quote "the need to unite the people of our country is as important a task now as it has been. No individual leader is able to take this enormous task on his own".

Honourable Speaker, these words of wisdom remain profoundly relevant today.

There is hard work to be done by all of us; trade-offs and sacrifices had to be made if we are to achieve the radical economic and social transformation we seek.

There is an instructive Swahili Proverb that says: *“A boat doesn’t go forward if each one is rowing their own way”*.

Together We Move South Africa Forward.

Together, Let’s Move Mpumalanga Forward with credible financial management system that promotes transparency and accountability for public resources.

I hereby, on behalf of the Honourable Premier and the collective of the Executive Council table the Adjusted Estimates of Provincial Revenue and Expenditure for 2014/15 and Adjustment Appropriation Bill for 2014/15 for consideration by this august House.

I Thank You.



Together We Move South Africa Forward

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