



**PORTFOLIO COMMITTEE ON FINANCE, ECONOMIC
DEVELOPMENT AND TOURISM: REPORT ON THE PRESENTATION
BY PROVINCIAL TREASURY ON THE BUDGET & ANNUAL
PERFORMANCE PLAN 2010/11.**

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1. INTRODUCTION

The Department of Provincial Treasury has been allocated **R 318 727,000** for the financial year 2010/11.

2. OBJECTIVE

The objective of the meeting was for the Committee to receive a presentation from the Department of Provincial Treasury on the 2010/11 budget & annual performance. This had to be done in order for the Committee to be informed, as part of processing the budget for the department and to be passed in the Provincial Legislature.

3. PRESENTATION

Provincial Treasury pointed out the services that it provides;

- Sustainable Resource Management – it allocates resources in terms of government priorities.
- Internal audit – offers risk audit services to departments so as to improve internal controls, governance and the reduction of corruption.
- Information Communication Technology Infrastructure (ICT) – it enables the North West provincial Government to communicate government services to the community.

- Provincial accounting – this supports departments and public entities with accounting services, risk management and financial management training.
- Provincial Supply Chain Management – this oversees and monitors compliance with procurement policies and empowering of suppliers through outreach programmes.
- Provincial Treasury also provides financial management support to municipalities and municipal entities through capacity building, monitoring and ensuring compliance with the Municipal Financial Management Act.

The departmental budget

	PROGRAMME	AMOUNT R'000
1	Administration	R56,228
2	Sustainable Resource	R46,469
3	Asset & Liability Management	R19,766
4	Financial Governance	R94,087
5	Municipal Finance	R18, 471
6	Information Technology	R83,706
	TOTAL BUDGET	R318,727

➤ Programme 1 – Administration

It will focus on;

- The finalisation of the departmental organizational structure to align it with the requirements of National Treasury and other relevant legislation.
- The implementation of MISS operational programmes, which will focus on vetting of new staff and security issues.
- The finalization of the departmental gender plan.
- Monitoring of staff performance in line with PMDS in order to create productivity.
- Implementing and monitoring internship programme.
- Striving to achieve an unqualified audit opinion.
- Implementing risk management in the Department in line with the new requirements of National Treasury.

➤ Programme 2 – Sustainable Resource

The focus will be;

- Allocating resources to departments in an equitable manner in order to ensure that those allocations are in line with National and provincial priorities.
- The implementation of zero based performance budgeting to equitably allocate the available scarce resource and ensure value for money.
- Continuing with an in depth analysis of the provincial Departmental Strategic and performance Plans for alignment to the budgets in compliance with the National Strategic Framework.

- Assisting public entities in planning budgeting and expenditure management.
- Assisting departments to implement Public private Partnership initiatives.
- Implementing a fiscal discipline.
- Implementing infrastructure capacity building efforts through the Infrastructure Development Improvement Programme (IDIP).

➤ Programme 3 - Assets & Liabilities

The focus will be;

- Developing and implementing procurement reforms in the province.
- To assess the impact of procurement practices to ensure that all stakeholders benefit.
- The empowerment of suppliers by conducting outreach workshops on accessing government services.
- To monitor and evaluate the impact of supply chain management in the province so as to create jobs and alleviate poverty.

➤ Programme 4 - Financial Governance

The focus will be;

- Providing accounting support to provincial departments and public entities.
- Improving financial management capacity in the province.

- The finalisation of reconciling and auditing the non-governmental accounts in preparation to transfer them to the relevant department.
- The development and implementation of financial management policies.
- The development of a strategy to implement audit outcomes that will enable departments and public entities to achieve unqualified audit opinions.
- To conduct transversal risk based internal audits throughout all departments with the exception of the Department of Education which has its own Internal Auditors and Audit Committee.
- To provide secretarial support to the new cluster based Audit Committees.

➤ Programme 5 - Municipal Finance

The focus will be;

- The assessment of financial management capacity and performance levels at municipalities.
- To assist municipalities in the development and implementation of a revenue enhancement strategy.
- Supporting municipalities to comply with GAMAP/GRAP.
- The development of plans that will address the audit outcomes so as to reduce the number of qualified opinions.
- Providing support to municipalities to implement supply chain management policies and guidelines.
- Assisting municipalities to develop financial management polici

➤ Programme 6 - Information Technology

The focus will be;

- The establishment of an information center to provide assistance to departments and users with reporting, email and general systems support.
- Upgrading the wide area network to broadband, therefore increasing the network capacity. This will include providing network disaster recovery in line with national priorities.
- Establishing data integration of government systems to provide e-government services.
- To assist departments with website design and development.
- To upgrade the email system in order to provide converged communication services.

4. CONCERNS & INPUTS OF THE COMMITTEE

- With regards to the procurement reforms, how is this process going to be done?
- The Provincial Internal Audit Committee, who do they report to?
- How many municipalities have complied with GAMAP/GRAP?
- The R18, 471 million that has been allocated to municipalities, is it only going to be used for capacity building?
- The R18, 471 million that has been allocated to municipalities will not be sufficient to counteract the challenges that municipalities face. Provincial Treasury needs to revise municipal financial support.

- How many municipalities have been targeted with regards to the financial support from Provincial Treasury?
- No time frame has been emphasized on facilitating the implementation of risk management in the departments.
- The Departments of Education, Health & Social Development did they submit the correct information in terms of the provincial equitable share?
- Does Mafikeng Industrial Development Zone fall under the support of public entities that Provincial Treasury will give out with regards to providing accounting support and the development of a strategy to implement audit outcomes for the achievement of unqualified audit opinions of public entities?
- When will the Committee be told that Mafikeng Industrial Development Zone , has been closed down ?
- Does programme 4, financial governance address the clean audit campaign that is geared towards 2014?
- With regards to the Internal Audit Committees are they going to be centralised or clustered?
- Unauthorised expenditures lead to audit queries, is it not possible for the amounts to be condoned?
- It is a good initiative by Provincial Treasury to empower suppliers by conducting outreach workshops, as most people at grass roots level are not aware of some of the services that government provides.
- It is evident that the Public Account resolutions have been incorporated into the Annual Performance Plan 2010/11 of Provincial Treasury.

6. CONCLUSION

The Committee recommends that the Provincial Legislature adopt the budget for the Department of Provincial Treasury of **R 318,727 000** for the financial year 2010/11.

A handwritten signature in black ink, appearing to read 'T Modise', is written over a horizontal dashed line.

Hon T Modise

Chairperson: Finance, Economic Development & Tourism

12 May 2010