

**OLIO COMMITTEE ON PREMIER, TREASURY AND ENTERPRISE
DEVELOPMENT**



NORTH WEST PROVINCIAL LEGISLATURE

REPORT ON THE NORTH WEST FINANCE BILL, 2015

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ACRONYMS

NWPG North West Provincial Government

PFMA Public Financial Management Act

1. INTRODUCTION

The Portfolio Committee on Premier, Treasury and Enterprise Development exercises oversight over the department through its assessment of the provincial-wide strategic support provided to NWPG departments. *The Constitution of the Republic of South Africa 1996* and the *PFMA 1999* creates a basis on which oversight by Legislatures should be accomplished.

2. PROCESS FOLLOWED

The North West Finance Bill, 2015 was formally referred by the Speaker, Honourable S.R. Dantjie to the Portfolio Committee on Premier, Treasury and Enterprise Development for consideration and reporting.

The Portfolio Committee received a presentation from the Department of Finance, Economy and Enterprise Development on the North West Finance Bill, 2015 at a meeting held on 08 March 2016..

3. OBJECTIVE OF THE NORTH WEST FINANCE BILL, 2015

To authorise certain unauthorised expenditure in respect of the 2009/10, 2010/11, 2011/12, 2012/13 and 2013/14 financial years; to provide for a direct charge against the Provincial Revenue Fund, and to provide for matters incidental thereto.

4. PRESENTATION BY THE DEPARTMENT

- 4.1 The unauthorised expenditure to the amount of R 829 097 697.30 was incurred by the North West Departments during the period of April 2009 to March 2014 in terms of the Public Finance Management Act as a result of over expenditure by programme related to the allocated budget.
- 4.2 The Auditor General verified the expenditure as part of audit of Provincial Departments for financial years from the 1 April 2009 to 31 March 2014.
- 4.3 Provincial Treasury invited the departments to provide motivations for the unauthorised expenditure which were incurred in the previous years as a result of overspending of the programmes.
- 4.4 These motivations were scrutinised by the Provincial Treasury and Provincial Auditor General to Remove any items which does not meet the above criteria.

UNAUTHORISED EXPENDITURE – DEPARTMENTAL SPECIFICS

DEPARTMENT	UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2014 (RECOMMENDED FOR APPROVAL) R '000
Office of the Premier	R 16 000 000
Provincial Legislature	R 3 516 000
Department of Health	R 135 860 720
Department of Culture, Arts and Traditional Affairs	Nil
Department of Community Safety and Transport Management	R 100 790 865
Department of Economy and Enterprise Development	R 707 510
Department of Finance	Nil
Department of Education and Sports Development	R 259 226 420
Department of Local Government and Human Settlement	R 261 014 592
Department of Public Works, Roads and Transport	R 27 824 930
Department of Social Development	R 3 478 419
Department of Rural, Environment and Agriculture Development	R 20 678 242
TOTAL	R 829 097 698

5. RECOMMENDATION OF THE PORTFOLIO COMMITTEE

The Committee recommends that;

- 5.1 The Department of Finance should ensure that consequence management is implemented where necessary to ensure compliance.

6. ACKNOWLEDGEMENTS

The Chairperson of Committees thanked all the present Members of the Portfolio Committee for their commitment to the oversight process of the North West Finance Bill, 2015.

The cooperation of the MEC for Finance, Economy and Enterprise Development Hon. Wendy Nelson, the Head of the department Mr Kunene as well as senior officials from the department is highly appreciated.

The Chairperson of Committees would also like to thank the support staff for contributing in compiling this report.

7. ADOPTION OF THE REPORT

The Portfolio Committee recommends that the House approve the passing of the North West Finance Bill, 2015 on unauthorised expenditure amounting to eight hundred and twenty-nine million ninety-seven thousand and six hundred and ninety-eight rands (R 829 097 698) up to 31 March 2014 as it is a direct charge against the Provincial Revenue Fund.

I present to this House, the report of the Portfolio Committee on Premier, Treasury and Enterprise Development for consideration and adoption.



HON. B.R. ELISHA
CHAIRPERSON: PREMIER, TREASURY AND ENTERPRISE DEVELOPMENT

10/03/16

DATE