

**VOTE 6: PROVINCIAL TREASURY**

**2018/19 BUDGET SPEECH**



**MS BELINDA FRANCIS SCOTT**

**MEC for Finance**

# PROVINCE OF KWAZULU-NATAL

## Budget address by Ms B F Scott MPL

### MEC for Finance

#### On tabling of the Vote 6 Budget in the Provincial Legislature

8 May 2018

#### INTRODUCTION

Madam Speaker. Honourable Members. I mentioned in the provincial Budget Speech which I delivered in this House on 16 March 2018, that the national and provincial economic outlooks are on an upward trajectory and that the turnaround in the economies of our trading partners are expected to benefit the country and this province. Having said this, though, we still have to be cognizant of the fact that the country's financial position is still under pressure and this required National Treasury to take some tough decisions when the national budget was tabled. These decisions included the 1% increase in the VAT rate, as well as the continued roll-out of the fiscal consolidation plan. KwaZulu-Natal has had budget cuts for the past 5 years, and the 2018/19 MTEF is no exception, with the provincial budget once again being cut over the MTEF. The budget cuts are two-fold in that they relate to fiscal consolidations cuts, as well as cuts relating to data updates of the equitable share formula. On the other hand, National Treasury is adding some funds to the provincial fiscus for priorities in the Social Development sector, as well as funds in the outer year for the above-budget wage agreement. While the budget cut in 2019/20 and 2020/21 was absorbed by the Contingency Reserve, the budget cuts for 2018/19 are yet to be effected against all Votes when I tabled the 2018/19 Adjustments Estimate in this House later in the year, as determined by a Finance *Lekgotla* held in February 2018.

It is against this backdrop that I table the budget for Vote 6: Provincial Treasury. The budget cut to be implemented against Provincial Treasury in the 2018/19 Adjustments Estimate amounts to R2.856 million, and the impact of this will be elaborated on when I table the Adjustments Budget in November 2018. Other than this budget cut, Provincial Treasury receives R6.886 million in 2020/21 for the above-budget wage agreement.

Despite the budget cuts, my Team and I resolve to continue to provide our services to the best of our abilities. There is a great and growing demand for these services in various areas, including infrastructure support, financial management, forensic services, municipal financial management, Supply Chain Management (SCM), to name a few. Provincial Treasury aims to do the right things, and to do them well.

The Public Finance Management Act (PFMA) will continue to guide us in delivering on our strategic objectives and we will continue to strive to *“Be the centre of excellence in financial and fiscal management in the country.”*

In the budget I am tabling today for Vote 6: Provincial Treasury, provision is made for the continued monitoring of spending against the budget by departments and public entities, while not losing sight of the importance of cash management. The bulk of Provincial Treasury’s budget over the 2018/19 MTEF is for financial management and includes oversight of all departments’, municipalities’ and public entities’ budget processes, as well as internal audit, SCM, and support for transversal financial systems.

Provincial Treasury’s focus will be on regular hands-on engagement and support to departments, public entities and municipalities to enhance their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise. The biometrics system used by departments to access the BAS system will be enhanced to allow for better reporting for audit and security purposes. Risk-based audits will be performed with specific focus on overall good governance, and continued focus will be given to performing IT audit reviews which will include reviews of network vulnerability, software licensing and IT spending.

We cannot do any of this on our own. We rely on co-operation and buy-in from departments, public entities and municipalities. While Provincial Treasury will assist where it can, we should not lose sight of the responsibilities assigned to Accounting Officers by the PFMA.

The oversight role Provincial Treasury plays is extremely important, and has been very successful in this province, as proven by remaining cash positive since May 2010 and incurring less than a 1% deviation from the provincial budget in the last 6 years, the improvement of audit outcomes in departments and public entities, to name a few.

I will reiterate what I have said before – this province is very fortunate to have a strong Treasury who give of their best tirelessly and without complaint in the face of much adversity. They do not rest and they do not settle for anything less than the best. I provide firm leadership to my team in Treasury. We will continue to assist and support in all areas of financial management. It is also our role, though, to highlight areas where there is a breach of the PFMA or where the cost-cutting measures are not being adhered to.

## COMMITMENT OF THE PROVINCIAL TREASURY

Our focus in the 2018/19 financial year will again be directed towards the following:

1. Embed internal controls and processes addressing audit matters within departments, municipalities and public entities, whilst ensuring long-term sustainability of audit improvements and successes;
2. Take effective steps toward the elimination of fraud and corruption in government;
3. Ensure transparent and fair supply chain management practices. To focus on the enhancement of broad-based Black Economic Empowerment (B-BBEE) through effective SCM policies;
4. Ensure on-budget spending (in all departments) through effective in-year monitoring of expenditure and sound cash management;
5. Maintain the present positive provincial cash position;
6. Enhance assistance to municipalities and public entities to ensure prudence in financial management; and
7. Provide further assistance to departments, public entities and municipalities to unlock stagnant infrastructure projects.

Our goals underscore the necessity for Provincial Treasury to have a strong relationship with all MECs, their departments and public entities. In collaboration with the Premier and CoGTA, Provincial Treasury will strive to build strong relationships with all municipalities. These relationships will have to be built on **trust and effective advice and support**. We all need to work as partners in promoting good governance and acceptable service delivery.

## OVERVIEW OF OWN REVENUE, DONOR FUNDING AND EXPENDITURE PER PROGRAMME

I will now deal specifically with Treasury's own revenue collection, the donor funding secured by the department, as well as the main service delivery objectives and funding of each of Provincial Treasury's programmes for the coming year. Full details are contained under Vote 6 of the *Estimates of Provincial Revenue and Expenditure (EPRE)* and in the Annual Performance Plan of the department.

The baseline of the department has increased by R43 million from R607.8 million in 2017/18 to R650.9 million in 2018/19. This increase of 7% relates mainly to the increase

in funding for the internal audit unit, as well as the once off funding for the Department of Health SCM intervention.

## **REVENUE**

### **Departmental receipts collection – R296.056 million (up from R217.645 million in 2017/18): 36% increase**

The bulk of Provincial Treasury's revenue is from interest revenue from the provincial bank accounts. The revenue from this source relates mainly to interest received by the Provincial Revenue Fund on daily positive bank balances in the Inter-governmental Cash Co-ordinating (IGCC) account at the Reserve Bank. To maximise interest received, withdrawals from these accounts are done only when cash is needed, and includes withholding funds lying idle in departmental accounts. The significant improvement in collection against this category over the past few years is due to the collective implementation of both cash blocking and cost-cutting measures by provincial departments.

## **DONOR FUNDS**

### **Global Fund R420 million for the period 2016/17 to 2018/19**

The Global Fund to Fight AIDS, Tuberculosis (TB) and Malaria (TGF) is a financing institution established in 2002 to increase the resources allocated towards the fight against the three diseases, HIV and AIDS, TB and Malaria. The organisation is based in Geneva, Switzerland, and does not implement programmes themselves but, instead, the programmes financed are implemented by recipient countries through a public-private partnership that consist of the Country Co-ordinating Mechanism (CCM), the Principal Recipient, and Sub-recipients.

The Global Fund TGF approved the South Africa CCM request for funding for HIV/AIDS under the New Funding Model. In KwaZulu-Natal, the Principal Recipient for the grant is KZN Provincial Treasury. The estimated approved funding for KZN over three years is approximately R420 million.

The key focus of this programme for 2018/19 will be Prevention Programmes for adolescent and youth in and out of school, including Cash Plus Care (King Cetshwayo District) and Prevention Programmes for other vulnerable populations (eThekweni, Umgungundlovu, Amajuba, Uthukela and Ilembe Districts).

## **EXPENDITURE PER PROGRAMME**

### **Programme 1: Administration – R192.377 million (up from R174.080 million in 2017/18)**

The increase of 10% in the allocation is mainly due to a specific Treasury intervention allocation for the SCM intervention in Health. In May 2017, the Provincial Executive Council resolved that the Provincial Treasury was to implement a Section 18(2) (g) intervention in the Department of Health. This allocation is under the Management Services (HOD) sub-programme.

This programme is responsible for the executive and strategic functions of the department, and includes the overall managerial and corporate responsibilities of Provincial Treasury. It comprises the Office of the MEC, the Head of Department, the Chief Financial Officer and Corporate Services, which includes the Human Resource Management component.

#### **Operation Sukuma Sakhe (OSS)**

The Provincial Executive Council developed and implemented Operation Sukuma Sakhe (OSS) to augment the existing government department systems of service delivery. This, ultimately, aims to improve service delivery and break down any obstacles that prevent people and communities from accessing government services. This, further, propels government efforts to eradicate poverty and stamp out social ills in communities.

The structure of OSS deploys MECs as political Champions of Districts and HODs are deployed to various districts. In this regard, I am deployed at uMgungundlovu District and my HOD is deployed to the eThekweni Metro.

The Provincial Executive Council holds OSS events monthly. These events are co-ordinated by the Office of the Premier, in rotational fashion in all districts in KwaZulu-Natal.

#### **Community outreach and social responsibility**

The Constitution of the Republic of South Africa mandates Provincial Treasuries to coordinate dialogue between government and the public on service delivery issues. Whilst the Provincial Treasury provides information, it also interacts with the community and other stakeholders to ensure a two-way process of sharing ideas.

This department has adopted a unique approach in terms of its community outreach programmes. Instead of holding large events, the department identifies and assists non-

governmental organisations and/ or non-profit-making institutions that operate within communities to develop and improve the quality of lives of people. The Provincial Treasury motto is to make an impact and provide tangible assistance to address specific needs. The department has willing officials and an effective Communication unit to undertake this function.

Both MEC and HOD have community outreach and social responsibility projects, and these include:

- Donation of school uniforms, used computers and other resources to needy learners identified through the war rooms;
- Assisting drought-stricken areas by providing tank water supply at schools (this includes the installation of water tanks and water reticulation, and the supply of boreholes and the installation of gutters);
- Lobbying sponsorship for schools infrastructure development and repairs; and
- Working with the Department of Social Development to provide assistance to accredited NGOs, with a focus on orphans and the elderly.

Through the Inter-governmental Relations Unit (IGR), the Office of the HOD continues to be very instrumental in driving National Treasury and Local Government SETA Programmes targeted towards meeting the minimum competency levels in financial management of the municipalities in the province namely:

### **Minimum Competency Regulation**

This programme is geared towards effecting Sections 83, 107 and 119 of the MFMA which state, inter alia, that **“the accounting officers, senior managers, the chief financial officers and other finance officials of a municipality must meet the prescribed financial management competency levels.”**

The programme is aimed at improvement of financial management competencies and levels of Municipal Managers, Chief Financial Officers and Supply Chain Managers to increase opportunities for the attainment of improved audit outcomes by the municipalities.

### **Municipal Finance Internship Programme**

The programme is geared towards training municipal interns employed in areas such as strategic planning and management, municipal budgeting, supply chain and finance to develop their skills to add more value in the functionality of the municipalities, and form

a pool of prospective suitable candidates for permanent employment opportunities in the municipalities.

The programme directly addresses the lack of suitably qualified and experienced candidates that certain rural municipalities are faced with, resulting in critical posts either remaining vacant or occupied by unsuitably qualified incumbents.

### **Youth Programme**

This programme resides with the Office of the Premier and links up with Treasury through IGR. The programme seeks to forge synergy and integration of initiatives by departments to advance Youth Development in the province by ensuring that the youth become active participants in government initiatives, culminating in Youth Parliament and implementation of resolutions thereof.

The province has adopted a holistic, interdepartmental and integrated approach that responds to the socio-economic needs of our people in KZN. It is aligned to key national and provincial policy framework and strategies that guide government and social partners to align their programmes accordingly. IGR forms part of the provincial team that co-ordinates, integrates and monitor youth development interventions and programmes, and work with the Office of the Premier to report progress in the province.

### **Expanding the pool of financial skills in the KZN Provincial Government**

There are two important initiatives that Provincial Treasury has embarked on to increase the pool of financial skills in the province:

- Provincial Treasury received accreditation from the South African Institute of Chartered Accountants (SAICA) to be a training office. In January 2018, this department welcomed a further three trainee chartered accountants, which means that a total of eight trainees are currently undergoing training towards becoming Chartered Accountants (CA). This programme responds to the call from the President to increase the capacity of the state and to expand the pool of financial skills in the country. Through this initiative, Treasury will also strengthen the capacity of government departments and municipalities to manage their finances prudently.
- Provincial Treasury has made financial investments through the Thuthuka Bursary Fund for students in financial management who want to pursue the CA route. There are a total of 79 students who are currently funded by the department. All of these students come from various district municipalities in KZN, and are expected

to serve the province upon completion of their studies. They are a feeder to the training programme mentioned above.

**Programme 2: Sustainable Resource Management – R40.657 million (marginally up from R38.875 million in 2017/18)**

The main change to this programme when compared to previous budgets is that Municipal Finance, which used to be a sub-programme under Programme 2, is removed from this programme and becomes a standalone programme from 2018/19 onward. As such, the activities performed by the Municipal Finance unit are discussed in more detail under Programme 5: Municipal Finance Management.

The main purpose of Programme 2 is thus the effective management and monitoring of the provincial fiscal resources and budget processes. We will continue to ensure fiscal stability in the province by closely monitoring departmental revenue and expenditure in order to ensure on-budget spending.

**Public Finance** – This unit manages the entire provincial budget and ensures that KwaZulu-Natal remains within its approved budget. This oversight role is performed over departments and their public entities. This is not a simple task and requires constant conversations with all provincial departments and public entities and requires buy-in from all Accounting Officers and Chief Financial Officers in the province. We remain committed to ensure that the people of KwaZulu-Natal receive the services they deserve, and we therefore continue to protect government's priority programmes as far as possible, so as not to lose sight of our vision of ensuring a better life for all.

The cost-cutting measures remain in place and these must be adhered to by all departments and public entities. National Treasury's Instruction Note on cost-cutting must also be adhered to in this province. Every little saving helps us to protect service delivery spending in these times of fiscal consolidation. Our fiscal discipline has helped us in the past, and will continue to help us to deal with the current budget cuts, while remaining focused on our key priority programmes. I must reiterate that the onus is on all of us to take joint ownership of the cost-cutting measures as these are not only the responsibility of Provincial Treasury. We all have a role to play.

Public Finance will continue to engage with National Treasury, and ensure that the province gets its fair share of nationally raised funds. This includes participating in the revision of the equitable share formula and its components.

**Infrastructure and Economic Analysis** – in our endeavour to ensure value for money, the Infrastructure unit will continue to assist departments with the planning, budgeting and implementation of their infrastructure plans. We will continue to assist departments to implement the Standard for Infrastructure Procurement and Delivery Management (SIPDM) as well as the Infrastructure Delivery Management System (IDMS). A new panel of the built environment specialists commonly known as the “Infrastructure Crack Team” will be put in place during the course of the financial year and they will continue to assist municipalities, departments and public entities to unblock infrastructure projects and fast-track infrastructure spending.

The *Estimates of Capital Expenditure (ECE)* which I tabled with the provincial budget in March this year lists all infrastructure projects per department that will be rolled out this year, and over the MTEF. This is a useful document in ensuring timeous planning of our infrastructure projects, and it also enhances the capacity of this House to play an effective oversight role on infrastructure delivery in our province. This document further shows infrastructure projects per district indicating our government’s commitment to rollout infrastructure development to all corners of our province.

**Programme 3: Financial Governance – R209.602 million (down from R213.820 million in 2017/18)**

The slight decrease in this programme is due to specific IT functions being moved to Programme 1 from this programme.

The main purpose of this programme is to ensure that all the financial management systems and processes utilised in the province lend themselves to the effective and efficient management of the province’s resources. The issuing and monitoring of provincial directives and norms and standards is pivotal in practising transparent and sound financial management.

The **Supporting and Interlinked Financial Systems** sub-programme continues to provide support for financial systems in the province. This unit, together with the assistance of the State Information Technology Agency (SITA), has successfully upgraded the security infrastructure of the Biometric Access Control System (BACS) to be in-line with the latest data security standards. This upgrade will ensure that the system’s data security standard will remain compliant for the next 10 years and also ensure that the current system will continue to provide optimal protection to both BAS and Persal transversal systems.

The teams managing the sub-programmes of **Financial Reporting, Supply Chain Management** and **Norms and Standards**, will take proactive steps to ensure that

timely interventions are in place to prevent negative audit opinions, irregular and fruitless and wasteful expenditure.

The **Accounting Services** unit will continue to provide support to municipalities in the implementation of Municipal Regulations on Standard Chart of Accounts (mSCOA).

Extensive training and support in areas of budgeting, accounting, information technology systems, governance and transacting in accordance with the Regulations was rolled out during 2017/18. The focus for 2018/19 will be assisting municipalities and entities to produce credible financial statements and budgets in accordance with the mSCOA requirements.

The **Financial Reporting** unit will provide support to departments and public entities in terms of preparation and review of interim and annual financial statements, government debt management, pay on time and asset management.

**The seventh consecutive clean audit of Vote 6 and the Provincial Revenue Fund bear testimony to our commitment and adherence to sound financial management prescripts.**

The provincial **SCM unit** has finalized a second draft policy in respect of Radical Economic Transformation and will seek approval from National Treasury.

The unit has successfully completed the process of implementing Contract Management in all municipalities, and is currently monitoring progress with respect to post-implementation support. The unit is also implementing systems and mechanisms with the aim of reducing cases of SCM-related irregular expenditure in departments and municipalities. We will embark on an exercise to drive contract management within departments, with the initial stages targeting the 4 biggest departments, which have had adverse audit outcomes.

Provincial Treasury will continue to provide broad SCM related support to departments, municipalities and public entities which are found to be in distress, in relation to their procurement systems. The support is provided by deploying hands-on resources at different institutions, to be responsible for identifying all SCM-related weaknesses and gaps with an intention of implementing sustainable SCM reforms.

The **Public Private Partnerships (PPP)** unit will continue to address the lack of capacity in departments and municipalities in identifying and managing PPP projects. Both the Contract Review and Exit Strategy for the Inkosi Albert Luthuli Central Hospital (IALCH) concession contract has been completed, and the unit is assisting the Department of Health in implementing the recommendation of both reports. The unit will continue with its intensive awareness campaigns and capacity building with various

SMEs in the built environment in the province so as to enable these SMEs to partake in bigger projects such as PPP projects. The PPP unit will also continue to support Public Works in realizing the provincial government precinct project.

**Programme 4: Internal Audit – R144.555 million (up from R123.888 million in 2017/18)**

The baseline increase of 17% is a rectification of historical underfunding for the Internal Audit unit. The increase was based on an analysis of the approved 3-year internal audit plan of the province with the funding provided through internal reprioritization of the Vote 6 budget.

**Assurance Services**

The unit is inundated with special requests for audits to be conducted. This is in addition to the approved number of risk-based audit projects identified as per the risk profiles of each department. Consequent to this, the use of consultants in some areas had to be considered, putting additional pressure on the unit's limited financial resources in 2017/18. As a result, a decision to terminate support to all public entities was taken as a measure to alleviate such pressure. Technical support is, however, still provided to affected public entities but where consultants are utilized, the costs are to be borne by the entities.

The unit managed to complete 223 audit projects in the 2017/18 financial year. The core focus in 2018/19 is to execute audits on identified and prioritized business activities of departments and transversal audits including transfer payments, asset management, SCM audits including contract management, performance information and human resource audits. In addition, specialized IT audits, performance audits and financial audits will be conducted across all provincial departments, in line with the approved annual operational plan by the Provincial Audit and Risk Committee, and within the budget allocation. The 2018/19 audit plans were compiled in consultation with Accounting Officers, the Auditor-General, as well as the Provincial Audit and Risk Committee. We need all Accounting Officers to take heed of recommendations coming out of these audits and to implement such accordingly.

Furthermore, the unit will focus on the roll-out of the provincial internal audit framework recently developed to ensure standardization of assurance services. Other activities planned for 2018/19 include roadshows to create awareness on internal audit and audit committee charters.

**The costs of the decentralization of the internal audit function are potentially massive. These costs would include the costs of furniture, equipment, audit management system, human capacity (audit professionals and administrative**

**staff), audit committees, risk management committees and office space across the departments.**

### **Risk and Advisory Services**

Risk and Advisory Services is a sub-component of the Internal Audit programme. The Unit is tasked with supporting provincial departments, public entities and municipalities on risk management and governance-related matters.

In 2017/18, the unit's risk management support was focused mainly on provincial departments while the support to public entities and municipalities was limited or constrained, due to financial and human resource challenges. In 2018/19, risk management support will continue to be provided to departments, while this support will also be extended to selected municipalities.

The newly revised Provincial Risk Management Framework will be rolled out to all provincial departments during 2018/19. The revised Provincial Risk Management Framework provides for a compendium of Minimum Risk Management Standards that must be adhered to by all departments in order to improve their risk management and internal control environments. During 2017/18, provincial departments recorded low levels of maturity on risk management and internal control. The revised Provincial Risk Management Framework is, therefore, envisaged to enhance the maturity levels of risk management and internal control of provincial departments.

The unit will also assist departments with the enhancement of their risk registers through the facilitation of specialized risk assessments such as Occupational Health Safety, Information Technology, Fraud and Business Continuity Risk Assessments. Furthermore, focus will be on Health clinical services. This specific core business area will seek to identify if risks associated with clinical governance have been adequately identified and addressed.

Through our Risk and Advisory unit, Provincial Treasury will extend its support to those municipalities who have poor corporate governance, including risk management maturity as determined by the Auditor-General's audit outcomes. The affected local government institutions will have to pay the costs for professional services in areas where support is provided through the use of consultants.

### **Forensic Services**

The Forensic Services unit is inundated with allegations reported against local government institutions, provincial departments and a few from public entities. Most of the allegations received and investigated are serious and complex in nature. To date, fraud and corruption, financial mismanagement and maladministration allegations

amounting to approximately **R7.3 billion**, cumulative from 2009, were received by this unit. Approximately 70% of the allegations were investigated and completed. Those that warranted criminal investigation, were referred to the law enforcement agencies for further investigation and the remaining 30% of alleged corruption and fraud cases reported are currently under investigation.

These investigations are very costly, and create serious financial pressures for the unit and thus the department. Hence it was decided during the previous financial year that local government institutions and public entities have to pay for their own investigations, disciplinary hearings and criminal investigations. However, Provincial Treasury will continue to assist wherever possible, but will prioritize investigation requests from departments.

The unit is tasked with monitoring the implementation of recommendations contained in the finalized forensic reports relating to criminal, disciplinary and civil proceedings. Through the work done during 2017/18, preservation orders amounting to some R543 million were obtained and we are still hoping for more approvals in the 2018/19 financial year.

The unit is trying by any means to minimize its financial pressures by using contract workers as opposed to consultants. The difficulty facing the unit is securing the correct skills and expertise as the approved period for such contracts is limited to 12 months.

The Forensic Services unit is committed to the fight against fraud and corruption and is a member of the Anti-Corruption Task Team, and works hand-in-hand with other law enforcement agencies such as the National Prosecuting Authority (NPA), South African Police Services (SAPS), and Asset Forfeiture Unit on matters under criminal investigation. These agencies meet regularly to monitor the criminal investigation and prosecution of the top priority cases within the province, resulting in a number of criminal arrests made.

**Programme 5: Municipal Financial Management – R63.709 million (up from R57.181 million in 2017/18)**

Programme 5 was established in 2018/19 in line with the new generic structure for all Treasuries, which makes provision for an integrated structure in respect of the Municipal Finance Management unit. This new structure will provide more focused support to delegated municipalities.

The unit will remain focused on providing technical support to municipalities in financial distress, in an attempt to improve audit outcomes and the budgeting processes. The Municipal Finance Management programme consists of four sub-programmes, namely

Programme Support, Municipal Budget, Municipal Accounting and Reporting, as well as the Municipal Support Programme. The sub-programmes will focus on the 6 national game changers, which include:

- Budgets and reporting
- Asset management
- Audit support
- mSCOA support
- Revenue management
- SCM

The Municipal Budgets sub-programme will continue to provide technical support to municipalities in the preparation of their annual and adjustments budgets and the required reporting requirements.

Accounting Services within Programme 3 was responsible to support municipalities in asset management, audit and mSCOA support. These functions will be phased into the Municipal Accounting and Reporting sub-programme once the required internal capacity has been obtained.

The Municipal Support Programme (MSP) is committed to provide technical support to municipalities in financial distress, and assist municipalities in identifying methods to improve service delivery. The MSP also assists municipalities to comply with relevant legislation, whilst building capacity during the implementation of support initiatives. Initiatives include tax related support and grant management. Revenue Management will be phased in.

The Municipal Finance Management Programme remains committed to assist municipalities in improving their financial management practices. However, the success and sustainability of the support initiatives can only be achieved if buy-in from both the political and administrative staff of the municipalities is obtained. Municipalities need to take ownership of the support initiatives and ensure that they continue to build internal capacity to ensure that financial management processes and ultimately, service delivery is improved.

## **CONCLUSION**

I again wish to express my sincere gratitude to my HOD and all Treasury officials, as well as the officials in my Ministry, for all the hard and sterling work done and for their unwavering commitment.

I trust that I can depend on all the Honourable Members of this House to support the 2018/19 budget of R650.900 million for Vote 6, in light of the initiatives and the deliverables of Provincial Treasury outlined in this report.

It is now my privilege to formally table this budget for your consideration.

Thank you.