



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA



HON FRANCOIS RODGERS
MEC FOR FINANCE IN KWAZULU-NATAL

KWAZULU-NATAL PROVINCIAL TREASURY
VOTE 6 BUDGET SPEECH
2024/25

14 AUGUST 2024



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**Provincial Treasury
Treasury House, 5th Floor
145 Chief Albert Luthuli Road
Pietermaritzburg
3201**

KWAZULU-NATAL PROVINCIAL TREASURY 2024/25 VOTE 6 BUDGET SPEECH



**FRANCOIS RODGERS, MPL
MEC FOR FINANCE**

PROVINCE OF KWAZULU-NATAL

Budget Address by Mr Francois Rodgers (MPL) MEC for Finance

On tabling of the Vote Six Budget at the Legislature 14 August 2024

Honourable Speaker, Ms. Nontembeko Boyce;
Honourable Deputy Speaker, Ms. Mmabatho Tembe;
Honourable Premier, Mr. Thami Ntuli;
Members of the KwaZulu-Natal Provincial Executive Council;
Honourable Members of the Provincial Legislature;
Members of the diplomatic corps;
Chairperson of the KZN Provincial House of Traditional and Khoi-San
Leaders, Inkosi Shinga;
All traditional leaders;
Director General, Dr. Nonhlanhla Mkhize;
Head of Department, Ms. Carol Coetzee;
All Heads of Departments and Senior Management:
CEOs of Public Entities;
People of KwaZulu-Natal;
Members of the media;
Business leaders;
Distinguished guests;
Manene namaNenekazi!

Madam Speaker, allow me to extend a special greeting to **Imbokodo** of this province and beyond. It is an honour and a privilege that we table this budget during the commemoration of Women's Month. **Wathinta Abafazi, Wathinta Imbokodo!**

The Seventh Administration, particularly in KwaZulu-Natal under Honourable Premier Thami Ntuli, respects and values women because we know that Imbokodo is the bed rock of our society.

It is very painful Madam Speaker, to hear of reports of ongoing incidents of gender-based violence targeted at females, children and the vulnerable in society. This government will not tolerate any violation of women and children's rights. We call on everyone to protect women, children and the vulnerable. We urge all of you to play your part to stamp out violence directed at women. We must make it our priority to empower women in the struggle against gender-based violence. Importantly, let's educate men and raise boy children to treat everyone in society with empathy and respect.

At the Provincial Treasury, we are led by **Imbokodo**, our HoD Carol Coetzee. She is supported by a team of diligent and hard-working senior management. Of course, working with their male counterparts, these prolific women have made it possible for the department to attain the sixteenth consecutive clean audit outcome this year. It takes hard work, dedication and resilience to achieve these audit outcomes. **Ngiyabonga Mbokodo!** Your hard work does not go unnoticed.

The Seventh Administration has started its term on a difficult note, with severe financial constraints but our determination to turn the corner is unwavering. The people of this province have asked this administration to carry their hopes and deliver the much-needed services that they desire and deserve.

Madam Speaker, it was in this House on the 31st of July 2024 when the Premier of KwaZulu-Natal, Honourable Thami Ntuli, highlighted various priorities for this province during his State of the Province Address.

Amongst the priorities of this government, Premier Ntuli mentioned:

- Building a capable, ethical & developmental state;
- Ensuring economic transformation and job creation;
- Building a caring and incorruptible government;
- Job creation, and growing the economy;
- Improvement of healthcare services and quality education;
- A dedication to serve with integrity, ensuring value for money and working towards a stable and prosperous KwaZulu-Natal.

In line with the national priorities, the KwaZulu-Natal Cabinet Lekgotla has resolved to strengthen the capacity and support for struggling municipalities to ensure that, first and foremost they are capable of providing basic

services to residents, and secondly to ensure sound financial management and lastly to facilitate economic growth through efficient regulatory support.

We must state that this government will implement a strict zero-tolerance approach to non-compliance to Treasury regulations and prescripts. We want to ensure accountability. We want all departments, municipalities and public entities to improve their audit outcomes and strive for clean audits. They must achieve whilst delivering quality basic services to the communities of KwaZulu-Natal. This is non-negotiable!

Even as we operate under fiscal constraints, this government is committed to deliver services while adhering to prudent financial management.

Tough as it is going to be, we will need to ensure that government is united and well-informed when planning and budgeting for programmes that are meant to ensure consistent service delivery, economic growth, employment creation and infrastructure development for our province.

It is imperative to find innovative measures to keep our Provincial Administration financially afloat, cash positive, transformative, both economically and socially, and deepen good financial governance in all departments, municipalities as well as public entities.

There is no doubt that the budget cuts we have all experienced will impact on service delivery plans, but we need to cut our cloth to suit the purse and make tough but necessary decisions.

Madam Speaker, there is a need to improve our efficiencies overall and make every Rand go an extra mile. Equally important is our plan to strengthen our efforts to curb irregular expenditure, fight fraud and corruption and make our Provincial Administration an envy of the whole country on matters of financial governance. All of this must translate into uninterrupted, improved and community-tailored service delivery.

In the previous budget speech, various commitments were made, and I will be presenting the progress thereof as well as highlighting the new focal areas for 2024/25 under each programme.

1. PROGRESS AND SERVICE DELIVERY COMMITMENTS FOR 2024/25 PER PROGRAMME

Madam Speaker, allow me to now deal specifically with Provincial Treasury's commitments for 2024/25 in terms of our primary 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.

We are pleased to announce that our preliminary year-end results indicate that we have spent 98% of our budget at the end of the 2023/24 year and achieved 89% of all targets set whilst a further 15 targets were overachieved due to the increase in demand for services.

The department piloted zero-based budgeting given that there have been no formal tools provided by National Treasury to do this task. In this regard, the lessons learned, and the interim tools used, will be adjusted to further strengthen the process in the 2025/26 budget cycle with a focus on high-value items in the public sector as low-hanging fruits.

Whilst the overall budget for the department for 2024/25 increased year on year by R1,9 million against the 2023/24 main appropriation which is not in line with inflationary increases, the overall baseline was reduced due to the continued national fiscal consolidation stance, seeing a cut of R25,320 million from the baseline for 2024/25 to a total budget of R680,901million. This is the budget that I am tabling today for Provincial Treasury, Vote 6.

1.1. REVENUE

Provincial Treasury (PT) receives an allocation of approximately R681 million in the 2024/25 financial year. The fiscal consolidation stance saw an amount of R27,880 million being cut from our budget, thus being Provincial Treasury's contribution to the budget cuts made by National Treasury while an allocation of R2,6 million was made resulting from the refund of bank service charges being reinvested into the biometric access system for the province.

1.2. EXPENDITURE PER PROGRAMME

Honourable Speaker, the table below indicates the allocation of the budget for the 2024/25 financial year. In the main the overall budget amounts to approximately R681 million. This table shows the budget allocation per programme as follows:

No.	Programme	Line Function	Budgeted Amount
1.	Programme 1	Administration	R220,309 million
2.	Programme 2	Sustainable Resource Management	R51,022 million
3.	Programme 3	Financial Governance	R229,706 million
4.	Programme 4	Internal Audit	R108,551 million
5.	Programme 5	Municipal Financial Management	R71,313 million
	TOTAL BUDGET		R680,901 million

1.2.1. PROGRAMME 1: ADMINISTRATION BUDGET OF R220,309 MILLION

This programme is responsible for the executive and strategic functions of the department and includes the overall managerial and corporate responsibilities of Provincial Treasury. The programme sees a decrease of 3% in its allocation. The decrease reflected the fiscal budget cuts as well as the shift of the management of the SAICA programmes from programme one to programme three.

Monitoring and Evaluation Capacity

In order to be effective, the assessment of our programmes against the intended impact is critical. We have fully equipped the unit with a study on the impact of support provided to public sector institutions on the implementation of Preferential Procurement Regulations (PPR), having been finalised. The evaluation team is currently concluding on a study on the impact of our support to municipalities regarding annual financial statements. A report with findings and recommendations is expected at the end of September 2024. Lessons learnt will allow the department to adjust its approach where necessary and will guide the prudent deployment of resources.

Progress on filling vacant positions

One of the key reasons for historic under-spending in the Department was due to the high level of vacancies in the Department. As a result, last year a commitment was made to fill all vacant positions by 31 March 2024. The Department finalized 89 out of the committed 146 posts during 2023/24. Unfortunately, even with the posts filled, it has not resulted in a significant reduction in the vacancy rate due to the following reasons:

- 15 positions had to be re-advertised due to either a lack of suitable candidates or the retention of nominated candidates by their employers;
- 16 positions were filled by internal staff members resulting in further vacancies which are required to be filled; and
- 26 officials have resigned from the department with a large proportion remaining in the Province but being employed by other departments.

The review and approval of the Internal Audit shared services' organisational structure was completed during the year and all efforts will be made to fill these new posts will be concluded by 31 March 2025.

ICT Digital Transformation Strategy

The department will continue with the automation of business processes with a particular focus on integrating various ICT systems with provincial systems to ensure standardization. Various additional processes will be automated to enhance service delivery.

Plans are underway to migrate to cloud services to limit the inaccessibility to critical data during load shedding. Already the department has moved all email services and related storage services to the cloud, with the intention of improving operational performance.

1.2.2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT BUDGET OF R51,022 MILLION

The programme sees a decrease of 4% in the allocation due to the fiscal cuts. The cuts were mainly effected after the zero based budgeting exercise was undertaken. In this regard some expenditure items were revised downwards and there was re-alignment of functions and responsibilities that led to the abolition of certain posts.

The adherence of departments and public entities to the cost-cutting measures was moved to the Accounting Officers in-year, in line with a Cabinet resolution. Provincial Treasury's role in this regard is being limited to assessing the affordability of filling posts.

The province ended the year with an overall preliminary unaudited year-end over-spending of R835,6 million against the provincial budget of R150.1 billion but noting that departments had recently completed their audits, the final figures will be compiled accordingly. Certain departments captured invoices on BAS which were not released for payment due to cash blocking and these departments were requested to quantify this amount so that the real year-end position can be determined when preparing the audited IYM for 2023/24. In terms of the Provincial Own Revenue collection, there was an unaudited net over-collection for the province of R619,5 million.

Reports to evaluate and monitor economic trends and to support policy formulation were produced by Economic Analysis. Two (2) research projects were undertaken, namely a review of the learner transport programme in KZN and the value for money assessment on the property rates that the province pays to municipalities through the Department of Public Works and Infrastructure. These two topics were selected given the current spending pressures on both and the need to find possible solutions. The unit also compiled a Socio-economic Review and Outlook (SERO) to provide insight regarding economic trends that could bring about opportunities and/or risks to the provincial fiscus.

Economic analysis also contributed technical support to the Department of Health (DOH) in the compilation of the pre-feasibility study for the construction of a tertiary hospital in the northern region of KZN.

Infrastructure support was provided on infrastructure planning in accordance with the Infrastructure Delivery Management System (IDMS) and infrastructure reporting using the Infrastructure Reporting Model (IRM). The Estimates of Capital Expenditure (ECE) was tabled in this house when the main budget for 2023/24 was tabled. The deployment of the Infrastructure Crack Team continued to be a priority of the department. Projects such as the physical condition assessment and compilation of the Generally Recognized Accounting Practices (GRAP) compliant Im-movable Asset Registers at eight (8) municipalities were awarded. Due to non-co-operation to engage proactively by key municipal officials, support to two (2) municipalities was cancelled. Also, as a result of the change in Instruction Note No. 3 of 2021/22 from the National Treasury, envisaged support to departments in dealing with recurrent variation orders in construction contracts was cancelled. The Accounting Officers are now accountable for the variation orders beyond 20 percent, whereas previously these had to come to the Provincial Treasury for assessment and recommendation.

Technical and legal advice in support of all provincial Public Private Partnerships continued to be provided as regulated by the National Treasury guidelines with good progress being made in the finalization of the Inkosi Albert Luthuli Central Hospital (IALCH). Technical support was provided on the Government Precinct PPP led by the DoPW.

Job Massification

The Provincial Treasury had allocated funds to create temporary employment opportunities for 70 interns within the built environment space. This is in line with a decision by the provincial cabinet, that each department must allocate R10 million on the job massification programme. I am pleased to announce that some of the youth employed in this programme have received full-time employment and the women owned businesses supported are now enabled to provide conditional assessments to the province.

Programme 2 will continue to monitor the performance of the provincial budget against the commitments in the EPRE and ECE and will apprise the PEC and the Finance Portfolio Committee accordingly.

We will continue to offer economic research and value for money assessments to guide the utilisation of government funds. In the 2024/25 financial year, we will undertake research on the learners with special needs, as well as a market analysis (benchmark) on prices for key goods that government procures. We will also endeavour to pay special attention to the cost efficiency of the infrastructure that we deliver as a province.

As part of the contribution to economic growth and revenue collection in our Province, Provincial Treasury will finalise the KZN Gaming and Betting Tax Bill in the 2024/25 financial year.

1.2.3. PROGRAMME 3: FINANCIAL GOVERNANCE BUDGET OF R229,706 MILLION

The programme sees an increase of 8% in the allocation due to the internal reprioritization to fund the SAICA programme and the refund of bank service charges.

Provincial Treasury continued providing support on contract management with particular focus on expired contracts. Provincial SCM partnered with National Treasury to assist provincial institutions in registering as users on the e-Tenders Portal in order to ensure that provincial institutions upload all their contracts onto the e-Tenders contract management tool as this will assist with improving contract management in the province. Thirty-two Municipalities, thirteen Provincial departments and ten Public entities have been registered onto the e-Tenders contract management tool. It is important to point out that one of the key underlying causes for irregular expenditure is poor contract management by departments and hence the focus on this key aspect.

Support aimed at strengthening SCM basic controls was provided as follows:

- SCM suitability assessments which include the review of Auditor-General, internal control and previous KZN Treasury findings, were conducted.
- Business process mapping of all processes followed in the processing of SCM transactions.

- Review assessments were conducted to measure the impact and implementation of support, and project steering committee meetings held to ensure that progress reports are tabled with Management, risks and challenges highlighted and decisions pertaining to the implementation of supply chain management reforms are agreed upon.

Institutions were further assisted with the implementation of generic standard operating procedures which are benchmarked against National Treasury practices. Assistance was also provided in the customization of the generic procedure manuals and development of checklists and templates to ensure alignment of SCM process in order to mitigate repeat audit findings.

Operation Clean Audit

The Accounting Practices Unit continued to provide financial management support to departments and public entities to enhance their financial accounting and asset management reporting to improve audit outcomes. The continued implementation of the province-wide operation clean audit plan has resulted in an overall improvement in the audit outcomes of provincial departments with a reduction in the number of qualified audit opinions.

Five Departments received clean audits, compared to 7 clean audits in the previous year. Eight Departments received unqualified audit opinions compared to 6 in the prior year and no Departments received qualified audit opinion compared to 1 qualified in the previous year. The audit outcome of one department is outstanding. Twelve Public Entities achieved clean audits, compared to 11 in the prior year while 3 achieved unqualified audit opinions, compared to 5 in the prior year. The number of Public Entities that received qualified audit outcomes regressed to two compared to one qualification in the prior year.

Financial management support included the review of Interim and Annual Financial Statements (AFS) for public entities and the deployment of officials to assist departments and public entities with the interim and annual financial statement preparation process, including asset management support and technical guidance. Capacity building interventions included training on the following for departmental officials:

- Economic Reporting Format and Standard Chart of Accounts;
- 2023/24 Modified Cash Standards and related accounting framework updates;
- Finance Lease Workshops;
- Developed and facilitated Infrastructure and Asset Economic Classification and Reporting training; and
- Developed and facilitated Provincial Departmental AFS Preparation course.

In addition to the above, the unit facilitated a 4-module foundational financial management training programme targeting youth in business in November 2023.

Support to suppliers to resolve payment disputes continued, as well as the Condonation of Irregular Expenditure Project. The unit also monitored the submission of mandatory information, monthly submission of key accounts and the monitoring of the payment of suppliers within 30 days. The provincial position has worsened with an increase in the number and value of suppliers not being paid within 30 days due to budget and cash constraints. There was an average of 92.89% compliance in the number of invoices paid by KZN Provincial Departments within 30 days, compared to 96% in the prior year.

The department is an accredited South African Institute of Chartered Accountants (SAICA) training office that currently runs a three-year training programme, accepting graduates that were recipients of the Thuthuka Education Upliftment Fund (TEUF), who upon completion will be eligible for registration as Chartered Accountants (CAs). The programme was initiated in an attempt to address the scarcity of black CAs in the province, with the intention of improving the financial management constituency. The programme consists of a three (3) year SAICA training contract under the CA2025 Competency Framework that focuses on Professional Values and Attitudes and Enabling Acumens. Once discharged, the beneficiaries are eligible to enter a five-year Management Development Programme (MDP) to develop management skills and improve trainee employability.

Since its inception, the programme has benefited twenty-four (24) trainees from the Province of KwaZulu-Natal, with the department receiving its first intake of trainees in 2016 and managing the process annually.

Through the programme, the department has produced fifteen (15) CAs, and one (1) post-trainee currently undergoing the final board examination process, all of whom have trained within various directorates under the MDP. The programme currently supports eight (8) active trainees who are at various stages of the three-year training contract.

Support continued to be provided for financial systems, such as BAS, PERSAL, LOGIS and HardCat in the province, while the OTP handled the functionality and policy implementation on the side of PERSAL. The process of implementing the LOGIS system in all departments was initiated due to interface shortcomings of the HardCat system with BAS.

Reviews of the KZN Provincial Treasury Instruction Notes and Standard Operating Procedure guidelines for departments were conducted by the Norms & Standards unit, which included instruction notes on donor funds, gifts, donations, and sponsorships, as well as recording and payment of creditors. The unit prepared action plans for departments and public entities, based on internal and external audit findings for the 2021/22 and 2022/23 financial years relating to financial policies and procedures, and provided the required support and monitoring for implementation purposes. All provincial departments and eight (8) provincial public entities were assessed for compliance with financial norms and standards.

1.2.4. PROGRAMME 4: INTERNAL AUDIT BUDGET OF R108,551 MILLION

The programme sees an increase of 7% as the previous year had once-off adjustments. When compared to the Main appropriation, the budget, in fact remained the same year on year.

The Provincial Internal Audit Services (PIAS) provided audit services to all departments, except for the Department of Health, which had set up its own internal audit function. Risk-based audits as approved by the Provincial Audit and Risk Committee (PARC) were conducted across all supported departments. Transversal focus areas were covered, such as Transfer Payments, SCM, Performance Information, and mainstreaming of vulnerable groups.

PIAS implemented IT Audit reviews in various departments. A special audit on the implementation of the Provincial Consequence Management Framework was also performed.

Greater focus was given to reviewing key financial processes with audits being conducted on key account reconciliations, audit improvement strategies, and conducting A-G follow-up assessments, with a continued focus on IT audits and risks related to cyber security. The non-availability of departmental officials led to the combination of some follow-up audits with other audits to ensure that all planned work was performed during the year. PIAS also performed value-for-money assessments on the area of consultants' services in four (4) departments and performed follow-up audits on previous performance audit reports. The unit continued to track the implementation of action plans on previous internal audit and A-G findings through the consolidated audit logs and progress reports which were issued to the Audit Committee and relevant MECs.

The revised Provincial Risk Management Framework and the Combined Assurance Framework, as approved by the Provincial Executive Council in 2021, were rolled out in all 13 departments in 2023/24. The roll-out entailed the establishment of the Provincial Risk Management Committee, providing departments with risk management guidelines and conducting assessments to measure how departments were implementing these guidelines, while the roll-out of the combined assurance was piloted at four (4) departments, namely Provincial Treasury, Office of the Premier, Department of Human Settlements, and Department of Economic Development, Tourism and Environmental Affairs (EDTEA). Various Business Continuity Management initiatives, including training, were rolled out to all departments, with cybersecurity maturity assessments conducted across all departments by the Office of the Premier and SITA. Risk management support to municipalities was intensified in 2023/24, with 22 risk assessments facilitated at selected municipalities and reviews of internal audit functions conducted at 6 municipalities.

Internal Audit will focus on performance audits on certain infrastructure projects during the 2024/25 year to determine if the government obtained the best value for money on budgets spent in this area. To assist departments to improve business processes and systems of internal control, the Internal Audit will proactively advise management on areas of improvement for certain high risk recurring issues such as overpayments

related to staff debt at Department of Education. Audit reviews will also be conducted across all Departments on the maturity of risk management to provide the level of compliance with the Provincial Risk Management Framework. The Provincial Internal Control framework will be finalised and implemented, together with the Provincial Combined Assurance Framework, during 2024/25. This initiative will assist departments in strengthening their systems of internal control and thereby enhancing governance and a capable, ethical, and developmental state.

1.2.5. PROGRAMME 5: MUNICIPAL FINANCIAL MANAGEMENT BUDGET OF R71,313 MILLION

The programme sees an increase of 1.87% in the allocation from last years' adjusted appropriation.

The Municipal Finance programme continued during the 2023/24 provincial financial year to provide technical support to delegated municipalities. The Municipal Budget Management sub-programme assessed both the tabled and approved budgets and monitored the compliance with the relevant legislation and regulations. Quarterly MFMA Section 71(7) reports were produced and published on the departmental website. The reports included an early warning system to identify municipalities that experience financial problems. The aim of the report is to inform municipal councils of the financial problems identified and to enable them to implement corrective measures with recommendations provided by the Treasury team.

For the 2024/25 municipal financial year, there were initially 36 Tabled (Draft) Budgets that were funded and 18 were unfunded. However, through further engagements and support to municipalities by KZN PT (for delegated municipalities) and National Treasury (for the non-delegated municipalities), the funding position of the Approved Budgets improved to 48 municipalities with funded Approved Budgets and six (6) municipalities with Approved Budgets. This is an improvement where KZN had 8 municipalities with unfunded budgets in 2023/24.

Technical reviews of the 2022/23 AFS and supporting documents were conducted at nine municipalities, to assist the municipalities in complying with GRAP and MFMA requirements.

With Provincial Treasury support, three municipalities improved during the 2022/23 audit cycle from a qualified audit opinion with findings to an unqualified audit opinion with findings. Furthermore, Provincial Treasury was able to assist eight municipalities to maintain their unqualified with findings audit opinions. For two municipalities, although they received a qualified audit opinion, there was a significant reduction in audit findings with the support of Provincial Treasury.

Financial Management Support projects were concluded at seven municipalities. This initiative is aimed at assisting targeted municipalities with the implementation of key principles, processes, procedures and controls of financial management required to prepare GRAP and MFMA compliant AFS and supporting documentation.

The Municipal Support Programme concluded projects at seventeen municipalities. Nine (9) targeted municipalities were assisted with Municipal Standard Chart of Accounts (mSCOA) support which was intended to assist municipalities with the development of mSCOA implementation plans, analyse mSCOA data strings and provide recommendations based on findings of analyses performed, highlight system related issues identified, provide training and assist in setting up steering committees to monitor the implementation of mSCOA which should aid in the submission of credible data and ultimately contribute towards National Treasury's objective to achieve an acceptable level of uniformity and quality in the collection of Local Government data.

A specialised support project was piloted at the Mthonjaneni Local Municipality with this project aimed at assisting the municipality with cash management through cost containment. Over and above the planned ten specialized projects, an additional specialized project was conducted in response to a request for technical guidance with the municipality's revised debt impairment methodology and computation to ensure GRAP compliance. Five of the multi-year Finance Expert projects which commenced in prior financial years were also concluded as well as one of the prior year Pre-audit assessment projects.

The Revenue and Debt Management project was implemented at two municipalities. The projects assessed the municipalities' revenue and debt management policies, processes, procedures, and controls with suitable recommendations to address weaknesses identified.

The Municipal Finance Management programme will continue during the 2024/25 provincial financial year to support municipalities and assist them with financial management, notwithstanding the requirements of the MFMA Section 135 which places the primary responsibility of identifying and resolving financial problems with the municipality itself. Many of the KZN municipalities have cash constraints which is exasperated by the current economic climate restricting communities to pay for services provided by municipalities. The Provincial Treasury will therefore continue to assist municipalities with budget support and the cash management initiative will be rolled out to a further three municipalities based on the availability of resources. Seven municipalities will be supported with the review of their Annual Financial Statements and five municipalities will be provided with the Financial Management Support initiative.

The Municipal Support Programme will be conducting post implementation assessments of the Annual Financial Statements reviews conducted in the prior year. The Municipal Revenue and Debt Management sub-programme will continue to assist four municipalities with reporting to National Treasury on the Eskom Debt Relief programme. Should municipalities adhere to the requirements, the relief will be significant in terms of historic debt. They will further assist with the implementation of the Revenue and Debt Management project to assist the municipality in identifying weaknesses in the revenue value chain and providing suitable recommendations whilst assisting municipalities with the implementation of the National Treasury Revenue management tools.

Skills transfer is a key element of the Provincial Treasury's support initiatives. Municipal officials are provided with on-the-job training and/or training workshops during the implementation of the support initiatives. The Provincial Treasury also conducts quarterly CFO forums and/or training workshops to discuss pertinent issues which are relevant during the quarter to enhance their knowledge and to remain up to date on all technical aspects of municipal finance.

CONCLUSION

Madam Speaker, for the past 16 consecutive years, KZN Treasury has demonstrated its commitment and resilience to ensuring good financial governance. The sixteenth consecutive clean audit outcome is testimony to that fact.

As we plan to take our performance to even greater heights, we will be guided by the country's developmental agenda with a specific focus on contributing to Provincial Priorities relevant to KZN Treasury whilst adhering to our core mandate. In trying to avoid compromisin

g service delivery, we must stabilise spending, eliminate irregular expenditure in departments, attract foreign direct investment as well as ensure accountability and transparency in our decisions. As I said during the re-tabling of the Provincial Budget Speech on the 25th of July 2024, fiscal consolidation is here to stay. We have to reduce our deficit as a country, and we must circumvent any decision that will result in the province going into debt. We have to prioritise and commit to good financial governance, and we have to be firm in eliminating fraud and corruption, as well as addressing the mismanagement of funds.

Compliance with good financial governance is a catalyst for the growth of any organisation and will ensure financial stability, compliance with laws, as well as ethical management of finances. This is exactly what we will keep emphasizing if we are to make good progress in managing public finances.

We have made it clear that the Seventh Administration will be the type of government that respects the needs of communities, that plans to stay on budget and, of course, an Administration that will ensure that good financial governance characterises our administration in KwaZulu-Natal. This is not an easy task, but if we work collectively both at political and administrative levels, we will certainly improve the standard of service delivery in our province.

Our annual performance plan for the financial year in question demonstrates the role that the Provincial Treasury plays in supporting all our institutions that contribute directly to tangible growth and improvement of the lives of the communities we serve.

We would like to thank Premier Thami Ntuli and my Colleagues in the Provincial Cabinet, and Members of this House for their overwhelming support during preparations for Vote Six Budget Speech.

Allow me, Madam Speaker, to express my appreciation to HoD Carol Coetzee, Senior Management and all Provincial Treasury staff who contributed toward the compilation of this speech and will be delivering on my commitments. It is now my privilege to table this budget before you for your consideration.

Malibongwe igama lamakhosikazi!

Siyabonga!

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KWAZULU-NATAL PROVINCIAL TREASURY

VOTE 6 **BUDGET SPEECH** 2024/25



KWAZULU-NATAL PROVINCE

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