



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA



HON. NELISWA PEGGY NKONYENI

MEC: FINANCE

E-DIALOGUE

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MARCH 2024

FOCUS: 2024/25 PROVINCIAL BUDGET



IMAGES L-R: MEC NELISWA PEGGY NKONYENI AND HOD CAROL COETZEE ALL SMILES AFTER THE TABLING OF THE 2024/25 PROVINCIAL BUDGET SPEECH. COMMUNITY MEMBERS HAPPY TO ENGAGE WITH THE MEC DURING A POST-BUDGET ROADSHOW

Making The Rand Go An Extra Mile



MEC NKOYENI TABLES A R150 BILLION BUDGET FOR KWAZULU-NATAL



MEC Neliswa Peggy Nkonyeni delivering the budget speech.



Legislature Speaker: Nontembeko Boyce



MEC Duma and Premier Dube-Ncube congratulate MEC Nkonyeni



Invited guest attentively follows the MEC's speech

The MEC for Finance, Hon. Neliswa Peggy Nkonyeni tabled a R150 billion budget for the Province of KwaZulu-Natal before the Provincial Legislature in accordance with the Public Finance Management Act 29 of 1999.

The Act requires the MEC for Finance in a province to table the provincial annual budget for a financial year in the provincial legislature not later than two weeks after the tabling of the national annual budget.

MEC Nkonyeni also tabled the Appropriation Bill, 2024/25, 2024/25 Provincial Budget Speech, 2024/25 Estimates of Provincial Revenue and Expenditure (Green book), 2024/25 Estimates of Capital Expenditure (ECE). The MEC explained that when appropriated, the Bill gives the legal basis for departments and public entities to spend their 2024/25 budgets.

Speaking on the formulation of the budget, the MEC said Provincial Treasury consulted widely with the people of the province during community outreach programmes to ensure that government develops a budget that is people centred, addresses the needs of communities, and streamline programmes to directly respond to

challenges. "Various issues that cut across almost all departments were raised with the view to allow the budget process to resolve them including issues related to; road infrastructure, health related issues, psycho-social issues, economic recalibration, crime alleviation, education related issue, housing issues, water and electricity issues," she said.

Giving an overview of the economic performance of the province, the MEC told the audience that the provincial economic outlook showed a marginal increase of 0.7% last year. The province expects a moderate expansion of 1.1% in 2024 and 2.3% in 2025, supported largely by the anticipated energy availability.

"While the projected growth is still below the potential growth of our provincial economy, we remain positive about our steadfast implementation of economic reforms and job creation through focused and interlinked programmes, such as industrialisation, localisation, export and investment promotions. We also continue to invest in economic infrastructure as part of our unwavering efforts to reconstruct and rehabilitate the provincial economy."

MEC NKOYENI TABLES A R150 BILLION BUDGET FOR KWAZULU-NATAL



Provincial DG: Dr. Nonhlanhla Mkhize, HOD Carol Coetzee, Mrs Neli Shezi, DDG: Fiscal Resources Management, Mrs. Tanya Stielau, Chief Director: Public Finance and Ntando Sangweni, Director: Financial Reporting follow the MEC's speech at the Legislature.



HOD Carol Coetzee and MEC Neliswa Peggy Nkonyeni after the tabling of the speech.



MEC Neliswa Peggy Nkonyeni briefly chats to a community member after she tabled the budget speech.

In terms of the economic recovery, MEC Nkonyeni said KwaZulu-Natal continues to work hard in revitalising the economy after the crisis created by the global pandemic (COVID-19), the 2021 July unrest and the tragic devastating floods in 2022 which are exacerbated by the impact of the persistent climate change challenges.

"The recent floods in Ladysmith are an example of these persisting challenges which continue to exert significant pressure on our provincial fiscus and budget prioritization," she said.

She further said the province celebrates the declared expansion of KZN ports of Durban and Richards Bay. "This is a direct response to stimulate our provincial economy given the significant trade through our ports thus, creating massive job opportunities. However, we will also continue working hard to position our province in order for the people of KwaZulu-Natal to benefit from both the Marine and Maritime industry," said MEC Nkonyeni.

The MEC also said that through massive industrial infrastructure development at the Dube TradePort and Richards Bay Special Economic Zones, government has created more employment opportunities for the people. "The construction activities taking place on the N2 and N3 have also contributed to numerous job opportunities in the province. It is partly through these and other government initiatives that KZN has reported a continuous increase in employment over eight consecutive quarters since the beginning of 2022 into the final quarter of December 2023, adding an accumulative number of some 375 000 persons employed."



Mrs. Liesl Curtis, Director: Public Finance, Mrs Neli Shezi, DDG: Fiscal Resources Management and Mrs Tanya Stielau, Chief Director: Public Finance at the Provincial Legislature during the tabling of the Provincial Budget Speech.

The provincial budget consists of three sources of funding, namely the Provincial Equitable Share, Conditional Grants and Provincial Own Revenue. The bulk of our funding comes from National Treasury, who transfer the Provincial Equitable Share and Conditional Grant allocations to provinces, while the Provincial Own Revenue is funding that the province collects from things such as motor vehicle licences, health patient fees. The Provincial Equitable Share amount allocated to provinces is determined through a complex formula, the largest aspect of which is population driven data (e.g. the number of learners in schools, as well as health patient data).

The funds received by the province are allocated to various departments for spending. At the pre-budget roadshows, as well as at the Operation Sukuma Sakhe community engagements, the communities are asked for their inputs as to what it is they would like to see being funded in the provincial budget.

The largest share of the budget goes toward Education (to ensure that our learners have educators, learner material, as well as suitable schools and classrooms), Health (to ensure that there is funding for health care in clinics and hospitals) and Social Development (for assisting the vulnerable members of our society). These three departments make up the social sector and they receive the lion's share of the provincial budget.

When the budget has been set for the year, all government departments must report to Provincial Treasury on how they are spending their budget. These reports have to be prepared every month and are submitted to National Treasury as well.

National Treasury publishes these reports for all 9 provinces in a Government Gazette and these are referred to as Section 32 reports. This allows the man on the street to hold government accountable for the budget allocated to them and the spending incurred.

The Finance Portfolio Committee of the Provincial Legislature is also briefed on the mid-year budget performance and the end-of-year budget performance and these engagements are open to the public and are also streamed on various of the Provincial Legislature's social media platforms.

KZN FINANCE MEC ROLLS OUT BUDGET IMBIZO CRUSADE



MEC Neliswa Peggy Nkonyeni addressing iXobho community members on the Provincial Budget after she tabled the speech at the Legislature.



MEC Nkonyeni accompanied by Mayor of Dr Nkosazana Dlamini Zuma Local Municipality Cllr. Sindiswe MaJobe Msomi (on the left) at the exhibition marquee where they interacted with exhibitors. L: MEC greets staff member Mncedisi Mohlakoane, SCM Database.

In what is KZN Treasury's intent to educate and communicate with communities the Provincial Budget process leading up to the actual tabling of the Budget on the 7th of March, MEC Neliswa Peggy Nkonyeni, is crisscrossing the province in order to thoroughly engage and drill down to the nuts and bolts of the management of public finances in KwaZulu-Natal.

On Friday 22 March, the MEC, joined by local political and traditional leadership, led a team of KZN Treasury officials along with various stakeholders to engage with the community of Mawotana in Inanda, eThekweni. She also undertook another tour to Masameni area to engage with the community of ward 15 under Dr Nkosazane Dlamini Zuma Local Municipality.

Common among views raised by communities are matters of speeding up service delivery with specific respect to road and bridge repairs, water and electricity shortages, low-cost houses, employment and access to business finance for those already self-employed as well as those still wanting to start own businesses.

"It is important to remind communities that as we celebrate 30 years of freedom, we have worked extremely hard to change their social-economic situations. There is a long list of deliverables that exist today enjoyed by communities that never existed before and that is a fact. But with that, we admit that there are still certain areas of their lives that require that government mobilises funds in order to make them better. This is the reason why we undertook this consultative process so that our communities understand the journey we have travelled and how the budget is used year after year to make lives better," said MEC Nkonyeni.

The community views solicited will be taken into consideration during the preparation of the next Provincial Adjustment Budget coming up towards the end of this year. MEC Nkonyeni says these consultations help to ensure that every budget put together, presented and passed is tailor-made for community development.

Provincial fiscal framework for 2024/25

In 2024/25, the Provincial Equitable Share amounts to R121.1 billion, with the amounts allocated over the MTEF. The conditional grant allocation amounts to R25.4 billion. The total amount received from National Treasury is R146.5 billion. When adding the Provincial own revenue and Provincial cash resources to this amount, the total revenue that the province has to finance the budget is R150.7 billion

The provincial departments are planning to spend R150.5 billion in 2024/25 and the Contingency Reserve is set at around R225 million to R236 million per annum over the MTEF.

The bulk of our funding is received from National Treasury in the form of the Provincial Equitable Share (80.4%) and the conditional grant allocation (16.8%), with the balance made up by provincial own revenue and provincial cash resources at 2.8% of the total resource envelope.

Amendments to the Provincial Equitable Share by National Treasury

The largest share of funding is received in the form of the Provincial Equitable Share and National Treasury advised provinces of various amendments being made to the Provincial Equitable Share in this budget, and these are incorporated in the fiscal framework.

With respect to the additions made to the Provincial Equitable Share for the carry-through costs of the 2023 wage agreement, the funds were allocated to the social sector proportionately, as follows:

- Education receives between R4.1 billion and R4.4 billion per annum over the MTEF.
- Health receives between R2.6 billion and R2.8 billion per annum over the MTEF.
- Social Development receives between R134 million and R144 million per annum over the MTEF.



2024/25 BUDGET HIGHLIGHTS

Amendments to the conditional grant allocation by National Treasury

KwaZulu-Natal's conditional grant allocation increases by R501.3 million in 2024/25, and then reduces by R989.3 million in 2025/26 and by R593.5 million in 2026/27.

The Education Infrastructure grant increases by R58.1 million in 2024/25. This grant is incentive based and the increase is partly due to the incentive allocation where the department scored really well, achieving 98% in terms of submitting planning documentation and showing capacity to spend and thus received an incentive allocation of R89 million. This was offset by fiscal consolidation budget cuts. The budget for this grant is R2.4 billion after these amendments.

The National School Nutrition Programme grant receives an increase of R19 million in 2024/25 to continue with the provision of nutritious meals. The budget for 2024/25 after the increase is R2.2 billion.

The Health Facility Revitalisation grant is increased by R31.1 million in 2024/25. The addition is because this grant is incentive based and because the department scored really well, at 99%, in terms of submitting planning documentation and showing capacity to spend and was allocated R72.9 million. This is offset by fiscal consolidation budget cuts. The budget for this grant is R1.5 billion in 2024/25.

The Provincial Roads Maintenance grant sees a significant increase of R691.8 million in 2024/25 and is used for the maintenance and rehabilitation of the provincial road network, as well as repairs to infrastructure damaged by floods. The budget for this grant is R3.2 billion after this increase and shows our commitment to improving the provincial road network.



KwaZulu-Natal's Infrastructure Budget

The total infrastructure budget over the MTEF is R17.1 billion, R17.3 billion and R17.4 billion, showing our ongoing commitment to prioritising infrastructure development

The bulk of our infrastructure budget at 67.3% is allocated towards economic infrastructure, implemented by the Department of Agriculture and Rural Development, the Department of Economic Development, Tourism and Environmental Affairs, the Department of Human Settlements, as well as the Department of Transport.

The types of infrastructure projects rolled out by these departments include maintenance and upgrades to the provincial road network, as well as the construction of access roads (to schools and clinics, and so forth) and bridges.

The social sector departments are the next highest in terms of infrastructure spending and this makes up 30.7% of the aggregate infrastructure spend. In this regard, the Departments of Education, Health and Social Development spend their budgets on infrastructure projects such as the maintenance and rehabilitation of schools, including repairs caused by storms and flooding, while there is also provision made for new schools' infrastructure.

Funds are also spent on maintaining, upgrading and constructing community health centres, clinics, district hospitals, emergency medical facilities, provincial hospitals, central and tertiary hospitals, among others. The social economic infrastructure category also provides for upgrades and additions to places of safety, residential facilities, youth academies, secure care centres and child and youth care centres, among others.



MEC NKONYENI, SANTACO AND ILEMBE DISTRICT HAND OVER MORE THAN 1000 SCHOOL UNIFORMS



LENDING A HELPING HAND: MEC Nkonyeni and SANTACO Ilembe Region during the donation of much needed school uniforms to needy learners.

In yet another gallant effort to benefit disadvantaged learners, the MEC for Finance, Neliswa Peggy Nkonyeni and SANTACO Ilembe Region joined hands to give dignity and improve confidence to underprivileged learners through a much-needed donation of 1 267 full school uniforms.

This event, which takes place every year in Ilembe District and led by SANTACO, is an attempt to strike a serious blow to poverty affecting learners and is also a step in the direction to embed focus in education and to encourage learners to improve themselves through schooling.

The event held at Sibusisiwe Community Hall in Mandeni, was also attended by the Mayor of the Ilembe District, Cllr Thobani Shandu, Mayor of Mandeni Local Municipality, Cllr Thabani Mdlalose and the Department of Education. SANTACO donated 1000 while KZN Treasury donated 267 full school uniforms. This happens just after KZN Treasury and SASSA donated close to 300 full school uniform last month to learners from various schools in Ilembe District.

Mr Sibongiseni Kubheka, Chair of SANTACO Ilembe District, said this donation happens every year in different regions within the District. "We work with the Department of Education to identify learners that come from disadvantaged households so that we can assist them with full school uniform. This is our way of plough-

ing back to the community but we also want to demonstrate that education is important and we encourage our children to focus on it in order to build a bright future for themselves. We are also delighted to be joined by KZN Treasury, Ilembe District and Mandeni Local Municipalities because this creates a better impact for our initiative," he said.

Speaking during the event, MEC Nkonyeni said that these donations help to close the poverty gap among learners so that they will look and feel similar and jointly focus on education. "As government, we have been donating school uniform to various schools, not only in Ilembe District, but all over KwaZulu-Natal.

SANTACO Ilembe Region has done exceedingly well and this again is a sign that they are not only interested in profit and their own families, but they are working with government to improve the socio-economic situations in our communities," she said. MEC Nkonyeni said all these donations complement the efforts by certain teachers who silently use their hard-earned money to buy uniform for some of the poor learners that they teach.

Musa Madondo, District Director for the Department of Education in Ilembe District, said that these donations build partnerships that help each recipient learner to embrace education as a platform that ensures a bright future.

KWAZULU-NATAL EXECUTIVE COUNCIL RETURNS TO ETHEKWINI METRO MUNICIPALITY THROUGH OPERATION SUKUMA SAKHE CABINET DAY



L-R MEC Nkonyeni, and the EThekweni Deputy Mayor, Cllr. Zandile Myeni during a guided tour of the Kennedy Road Housing Project.

The KwaZulu-Natal Executive Council visited eThekweni Metropolitan Municipality to engage with various communities on issues of service delivery.

This was done through Operation Sukuma Sakhe (OSS) / District Development Model (DDM) Cabinet Day, a platform that provides community members an opportunity to engage directly with Members of the Executive Council and senior government officials on service delivery.

The OSS/DDM programme is aimed at strengthening public participation while enabling Government to assess progress in service delivery. It also serves as a platform to monitor, evaluate, and fast-track the implementation of various services and programmes to improve the lives of communities in various wards.

OSS also allows government to assess the effectiveness of programmes and projects that are designed to ease community challenges and improve service delivery, thus improving the socio-economic conditions of communities.

As part of her deployment in Ward 25, MEC Nkonyeni supported by the EThekweni Deputy Mayor, Zandile Myeni, and DARD HOD Zibusiso Dlamini assessed the functionality of the War Room, visited Clare Estate Clinic and monitored progress of the Kennedy Road Housing Project. During the oversight visit, MEC Nkonyeni was informed that the R47 million informal settlement upgrade project was planned to address the housing demand of the Kennedy Road Informal Settlement. The existing settlement comprises

approximately over 2000 households, residing in informal structures, in a haphazard manner, with interim services as provided by EThekweni Municipality.

As a response to the housing demand of the Kennedy Road Informal Settlement, the developer EThekweni Municipality packaged a project comprising 468 sites, over 3 parcels of land in close proximity to the current informal settlement. The project spans over wards 23 and 25, and comprises 3 portions of land, namely 45 sites in Dodoma Ave (Ward 25), 198 sites in Barton Place (Ward 23), a greenfield portion across the N2, but in close proximity to the current settlement and Kennedy Rd upgrade comprises 225 sites.

The MEC concluded the programme with a community engagement held at Palmiet Primary School hall in Clare Estate. During the discussions, the MEC engaged the community as they highlighted their plights concerning service delivery issues and social ills plaguing them.



Ward 25 community during a Q&A session where they requested assistance with service delivery and personal documentation.

KWAZULU-NATAL EXECUTIVE COUNCIL RETURNS TO ETHEKWINI METRO MUNICIPALITY THROUGH OPERATION SUKUMA SAKHE CABINET DAY

Meanwhile, Provincial Treasury's Head of Department, Ms. Carol Coetzee who is also the HOD Champion for EDTEA led a delegation on behalf of the MEC Siboniso Duma in Inchanga, Ward 04.

HOD Coetzee together with Mr. James Nxumalo, MPL, Cllr Madlala of EThekweni Metro and other dignitaries kick-started the day with a war room briefing at 1000 Hills Community Based Centre.

The 1000 Hills Community Helper is a non-profit organisation that was established in 1989 to assist towards poverty eradication. The NPO is supported by the Department of Social Development and it has since established various programmes such as Skills Development that teaches sewing, fabric painting and beadwork.

The delegation was pleased to see the positive impact that the organisation has on the community of Inchanga and expressed their support for its continued efforts.



HOD Carol Coetzee during a war room briefing in Ward 4, Inchanga.

KWAZULU-NATAL EXECUTIVE COUNCIL OBSERVES INTERNATIONAL WOMEN'S DAY



L-R Ndlunkulu KaMayisela, MEC Nkonyeni, Premier Nomusa Dube-Ncube, MEC Simelane and MEC KK Nkosi.

KwaZulu-Natal Premier Nomusa Dube-Ncube, together with Ndlunkulu KaMayisela, Legislature Speaker Nontembeko Boyce, Health MEC Nomagugu Simelane, Finance MEC Neliswa Nkonyeni, Social Development MEC Nonhlanhla Khoza, Human Settlements and Public Works MEC Siphon KK Nkosi and other dignitaries attended International Women's Day at the University of KwaZulu-Natal, Edgewood campus. International Women's Day is a campaign of the United Nations which is commemorated annually on 8 March.

Speaking under the theme, Invest in Women: Accelerating Progress, Premier Dube-Ncube encouraged students to aim for the stars and delay sexual activities which will delay and derail their future. As part of the day's programme, the Premier and her entourage also visited stalls displaying various items and thereafter lit candles in memory of gender-based violence victims.



Finance Minister, Enoch Godongwana announced a two-pot retirement system during the national budget speech

WHAT IS THE 'TWO-POT' SYSTEM OF RETIREMENT?

The two-pot retirement system is a reform that will allow retirement fund members to make partial withdrawals from their retirement funds before retirement, while preserving a portion that can only be accessed at retirement to help improve retirement outcomes. This means members need not resign to access part of their retirement benefit if they are in financial distress. This reform will come into effect on 1 September 2024.

WHO IS IT MEANT FOR? The new system will apply to all retirement funds, that is, both private sector and public sector funds, except for the old generation or legacy retirement annuity policies, or funds with no active participating members (such as funds in liquidation, beneficiary funds, closed funds or dormant funds). Pensioners and members of provident funds that were 55 years and older on 1 March 2021 who have not opted to be part of the two-pot system will also be excluded.

WHY THE TWO-POT SYSTEM? This system is meant to support long-term retirement savings while offering flexibility to help fund members in financial distress. In many cases, retirement funds are the only savings that fund members have. Under the current system, some members resign to access their retirement fund savings to pay off debt, which is detrimental from an economic, financial planning and retirement provision point of view. The two-pot system is meant to help fund members in times of financial difficulty by allowing access to the savings component before retirement. It is advisable that members use the savings component sparingly and only when there is a dire need. Importantly, the two pot system also protects a portion of savings to only be used for retirement.

HOW WILL IT WORK? The reform creates a "savings component", a "retirement component" and a "vested component". Only the "savings component" and "retirement component" can receive retirement contributions from implementation date onwards. The vested component will house retirement benefits accumulated by the member before the implementation date. Investment growth will still be credited to this component. From 1 September 2024, retirement contributions will be split by your retirement fund into a savings component (or pot) and a retirement component.

A ratio of 1/3 (one-third) of total contributions will go into the savings component and 2/3 (two-third) of total contributions into the retirement component. For example, if person A's retirement contribution in September 2024 is R900 per month, R300 will go to the savings component and R600 into the retirement component. Person A would be able to withdraw any amount from the savings component, the withdrawal should not be less R2 000 and a withdrawal can only be made once in a tax year. One does not need to make a withdrawal from the savings component every tax year. Amounts in the account will still be available for withdrawal in future years and would benefit from tax-free growth within the account until a withdrawal is made.

The savings component will be accessible at any time, but withdrawals must be a minimum of R2 000 and, but only one withdrawal may be made in a tax year. What is withdrawn will be taxed at the individual's marginal tax rate. There is no maximum withdrawal limit on the savings component.

TWO-POT RETIREMENT SYSTEM

The retirement component cannot be accessed on resignation and may only be accessed at retirement. That means it will be preserved until retirement. Retrenchment cases will be dealt with in another phase of this reform process. The retirement value accumulated as at 31st August 2024, referred to as the "vested component", will not take further contributions but will remain invested by the retirement fund. Should you resign in future, your current right (vested right) to access this component or have it transferred to a preservation fund is maintained.

WHAT IS SEED CAPITAL? From the value of your fund on 31st August 2024, 10% or R30 000, whichever is lower, will be allocated to the savings component. We call this seeding capital. This will be a once-off transfer at the start of the two-pot system and will not be repeated in the following years. For example, if you have a R200 000 fund value on 31st August 2024 the seeding amount will be R20 000 (this being 10% of R200 000). If another member has R750 000 fund value in the vested component, the seeding amount will be R30 000 since 10% exceeds the cap of R30 000. Despite R750 000 being 10% of R750 000, this amount is capped at R30 000.

PROVIDENT FUND MEMBERS 55 YEARS OR OLDER ON 1 MARCH 2021 These members will not be included in the two-pot system by default, but they may elect to participate should they wish to. They can do so by applying to their provident fund. Should they elect to be in the two-pot system, they cannot reverse their decision.

WHERE WILL THE SEEDING COME FROM FOR PROVIDENT FUND MEMBERS LESS THAN 55 YEARS OLD IN 2021? For the provident fund members who are less than 55 as on 1 March 2021, their seed capital will be taken proportionally from the pot that was vested in 2021 and the non-vested pots.

WHAT IS NEXT IN THE PROCESS? Once the two bills (the Pension Funds Amendment Bill and the Revenue Laws Amendment Bill) have been signed into law by the President, retirement funds must apply for rule amendments with the Financial Sector Conduct Authority and change their systems to implement the two-pot regime from 1 September 2024. Funds will also communicate with their members on how savings withdrawal claims will be processed.

WHAT SHOULD YOU DO?

1. Please ensure that your retirement fund has your correct contact details. This is important so that they can contact you about the reform.
2. Keep an eye out for communication from your retirement fund administrator or the trustees of the fund, as they need to communicate with members about the implementation of the reform.
3. Carefully consider your options and seek advice from an accredited financial advisor.
 - Identify your long-term savings goals and plan for your future – and try to save as much as you can when you can. Unforeseen events may mean that you must adjust the plan – but start with a plan. You will have more flexibility than ever before – but that comes with the responsibility to protect yourself now and for the future.
 - If you are a provident fund member that was over the age of 55 on 1 March 2021, then you have the option of structuring your contributions to follow the two-pot design.
 - If you have contributed to your retirement fund over several years, you may have access to a withdrawal from the seeding capital on implementation. Do not make hasty decisions to take a withdrawal. It may be tempting to make a withdrawal as soon as possible – but keep in mind that you will be giving up the amount drawn plus all interest on that amount in retirement. Plus, if you wait to withdraw money from the savings component until retirement, it will attract less tax.
 - Consider whether you would rather transfer funds from your savings component to the retirement component.
4. Do not let anyone pressure you to do anything that is not in your interest. While it is good to help people when one can, you have worked hard to save for retirement – and the longer it remains invested, the better.
5. If you need help but do not know where to start, contact your retirement fund.

PROVINCIAL TREASURY STRATEGIC RISK ASSESSMENT: Financial and Fiscal Excellence through Risk Intelligence

Article supplied by Mrs. Kudzai Musasiwa, Director Organisational Risk & Integrity Management



HOD Carol Coetzee, CFO Thabani Ndlovu with Mr Pranesh Maharaj during the SIU/ Treasury sign a commitment pledget at the risk management workshop.



Provincial Treasury employees attending a risk management workshop, this is to show their commitment against fraud and corruption in the workplace.



What are the responsibilities of the employees / responsibility managers in mitigating financial risks in the department.

The employees and responsibility managers of the KZN Provincial Treasury play crucial roles in mitigating financial risks within the department, which include but not limited to the following :

- 1) Financial risks identification and assessment involving financial risks associated with treasury operations, budgeting, and financial management;
- 2) Development and implementation of Financial controls which involves establishing robust internal controls to prevent and detect financial irregularities. Ensure adherence to financial regulations, laws, and best practices;
- 3) Further Financial risk mitigation strategies involving implementation of additional action plans where the existing controls need to be strengthened in light of the risk appetite of the Department;
- 4) Participate in budget planning and reporting of the budget to assist in the identification of any emerging financial risks. In light over/ under robust monitoring is in place as this is escalated to Financial Committee meetings and Monthly IN-Year Monitoring is reviewed by the Accounting Officer. Monitoring of financial reports at MANCO and EXCO meetings is performed and Finance meetings on budget matters held at least quarterly with Responsibility Managers for effective mitigation of financial risks.



Provincial Treasury employees during a risk management information sharing workshop.

-What are some of the anti-fraud awareness programmes that have been implemented in Treasury.

The KwaZulu-Natal Provincial Treasury (KZNPT) has a zero tolerance attitude toward fraud and aims at financial prudence to ensure that fraud, corruption, or misconduct cannot affect its assets and financial well-being. Furthermore, the department commits to ensuring that its employees display the highest possible standard of ethical behaviour and that they maintain the highest levels of professionalism and integrity in performing their duties in the public service. The department has therefore taken proactive steps to raise anti-fraud awareness and prevent fraudulent activities within the department.

The Fraud Prevention Plan and its related documents recognizes basic fraud prevention initiatives within the Provincial Treasury with the aim of identifying ethics, fraud and corruption risks that could jeopardize the successful implementation of various prevention mechanisms in the Department.

In terms of Fraud and Ethics awareness workshops, the Department has collaborated with institutions such the Special Investigating Unit (SIU) and the Office of the Premier to strengthen good governance and promote ethical culture. The Office of the Premier's presentation focused on managing ethics in the public service, including ethical dilemmas and conflicts of interest. The special investigation unit (SIU) provided training and awareness on the role of the special investigation unit in combating fraud and corruption in state institutions.

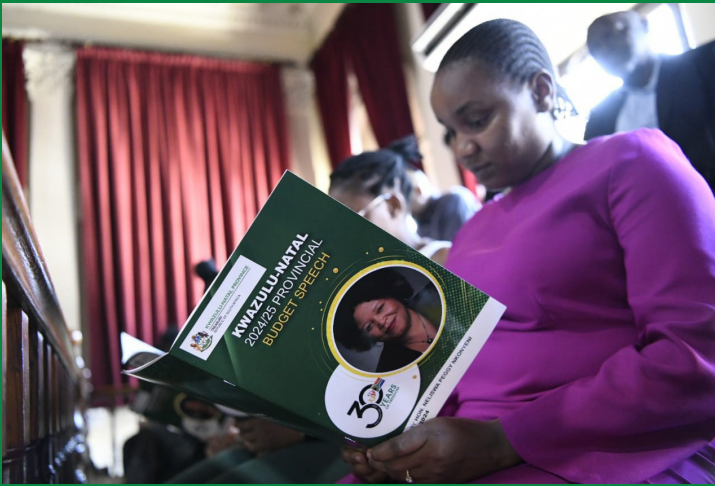
The Organizational Risk and Integrity Management Services, in collaboration with Human Resources Management: Labour Relations, conducted a workshop for employees at salary levels 12 and below on September 29, 2023.

The awareness workshop focused on the following key policies and topics, among others: Fraud Prevention Plan, Fraud Prevention Policy, and Related Documents; Ethics Policy; Whistle Blowing Policy; Gift Management Policy and Related Documents; Conducting Business with an Organ of the State; Other Remunerative Work Outside Public Service; Conflict of Interest Policy; Financial Disclosures; Code of Conduct: Conduct, Financial Disclosures, Anti-Corruption, and Ethics (PSR), Chapter 2.

In order to instil the departmental ethical culture and assist the new employees to familiarize themselves with the fraud prevention policies and strategies adopted by the department, Organizational Risk and Integrity Management Services conducted a workshop targeting new employees who commenced their duties in 2023, on 13 December 2023. The workshop covered key topics on fraud prevention plans, ethics management, financial disclosures, gift management, the Central Supplier Database, conducting business with an organ of state, other remunerative work outside the public service, as well as the Public Service Amendment Regulations, 2023.

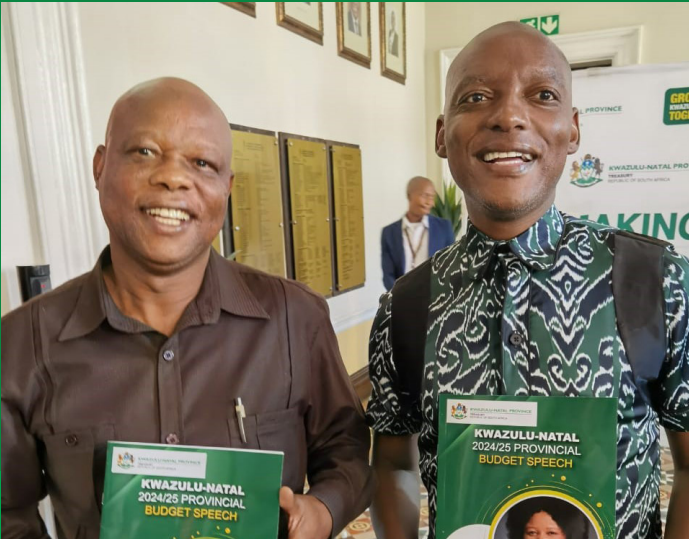
As of December 2023, three Ethics and Fraud awareness workshops had been conducted. Furthermore, to promote ethics, integrity, conduct, and discipline in the public service, Organizational Risk and Integrity Management issued Circular 03 of 2023: Compulsory Ethics Course in the Public Service, which requires all KZNPT employees to enrol through NSG e-learning. The purpose of the course is to help build an ethical culture in the public service by developing the capacity of officials for personal and professional ethical conduct

IN PICTURES: 2024/25 KWAZULU-NATAL PROVINCIAL BUDGET



Various images of the MEC for Finance, Hon. Neliswa Peggy Nkonyeni with MPLs, senior government officials, invited guests at the tabling of the 2024/25 Provincial Budget speech, which was held at the Legislature on 7 March 2024. Some of the esteemed guests in attendance included the Premier of KwaZulu-Natal, Hon. Nomusa Dube-Ncube, MEC Siboniso Duma, MEC Nomagugu Simelane, MEC Ntuthuko Mahlaba, MEC Super Zuma, MEC KK Nkosi.

IN PICTURES: 2024/25 KWAZULU-NATAL PROVINCIAL BUDGET



Various images of the MEC for Finance, Hon. Neliswa Peggy Nkonyeni with MPLs, senior government officials, invited guests at the tabling of the 2024/25 Provincial Budget speech, which was held at the Legislature on 7 March 2024.