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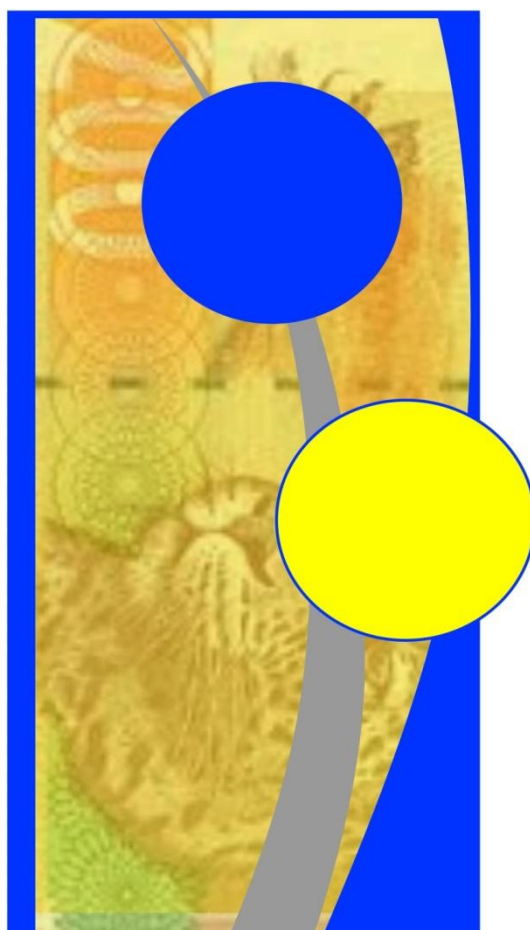
Department:
Finance
MPUMALANGA PROVINCIAL GOVERNMENT



Budget Speech

by

Mr MB Masuku
MEC for Finance



11 March 2014

**SPEECH BY THE HONOURABLE MEC FOR FINANCE, MR MB MASUKU
(MPL) DURING THE OCCASSION OF TABLING OF THE PROVINCIAL
BUDGET FOR 2014/15 FINANCIAL YEAR AT THE MPUMALANGA
PROVINCIAL LEGISLATURE**

11 March 2014

Honourable Speaker and Deputy Speaker

Honourable Premier, Mr DD Mabuza

Honourable Members of the Executive Council

Honourable Members of the Provincial Legislature

Director-General, Dr Nonhlanhla Mkhize

Head of Department of Finance, Ms Nombedesho Nkamba and other Heads of
Department

Representatives of Labour, Business, Civil Society and the Media

Esteemed guests

Beloved People of Mpumalanga

Preamble

1. I stand here, in the midst of the spirits of the great warriors who conquered the colonial rule, and the devastation of the apartheid machinery for more than a century.
2. The martyrs that led this country and Mpumalanga to a democratic dispensation, for the first time, in 1994.
3. I am inspired by the resolute determination of the people of Mpumalanga who, in their well-founded need to experience a better life faster, engaged constructively with their ANC-led Government in crafting the widely spoken of and experienced good story of:

- A democratic dispensation ushered in a peaceful manner to the surprise of the whole world;
 - A delivery of a world-acclaimed best constitution anchored by universal human rights and a commitment for peace and prosperity not within the borders of South Africa only, but the continent and the world as a whole;
 - An undisputable record breaking performance in the provision of access to housing and shelter to the needy in 20 years;
 - A consistent improvement in the healthy wellbeing of our society evidenced by the recorded increase in life expectancy;
 - A high level of commitment and performance in our education system that has seen increase in the love for education and learning and consistent achievements of government and societal targets;
 - Continuous effort to improve the lives of people in rural areas
 - A commitment to fighting crime that has seen notable improvements, in the safety of the society;
 - A resilient financial sector that played a major role in the insulation of the South African economy from the world economic turbulences that have seen big economic players in the world reduced to mere beggars for bail outs from multinational bodies, like the EU and the World Bank, and
 - A delivery of stable government, with tight systems of control and accountability, consistent with our hard earned democratic dispensation.
4. This action by our people communicated a very strong message that indeed no government can achieve much, unless it is backed by a complete involvement and participation of the people as a whole.
5. Our people remain confident, with valid expectation that the social transformation policies and programmes that we are implementing will *Move South Africa and Mpumalanga Forward*.

6. Such a human achievement, under difficult and trying times, is worth a good story to tell again and again.

Human Rights and 20 years of Freedom

7. The former President, Dr Nelson Rolihlahla Mandela [*May his spirit continue to live on in our memories and deeds*] was subjected to 27 years of jail and persistent political humiliation.
8. He taught us human virtues of forgiveness as a price to pay towards reconciliation of the society as a whole and towards realisation of a non-racial, non-sexist, democratic and prosperous South Africa.
9. Madiba paved a way for the implementation of the programmes that are aimed at erasing the sad past in this country.
10. He championed a governance system in which the State cares for the wellbeing of all her citizens, without any form of discrimination.
11. He warned us that while through dedication and commitment victory is always certain, the walk to freedom is neither a straight nor an easy one. It is full of windings and down and uphill. It is a journey that is taken a step at a time.
12. We are presenting this budget on the Human Rights month in twenty years of our democracy.
13. Ten years ago *utata* uMadiba said to the joint sitting of Parliament on its celebration of 10 years of democracy that "*Democracy and human rights are inseparable*".

14. Hon. Speaker, on this very month 28 years ago, we witnessed a painful incidences that has led to a loss of innocent young lives, in what has come to be known as **the “1986 Lowveld Massacre”**, commemorated every year exactly on this very day of the 11th of March.
15. In the beginning of that fateful year, MANDLA LEKHULENI was killed by the apartheid security forces, while protesting against the remaining vestiges of Bantu education and campaigning for a free education for all and better life for his people in general.
16. At his funeral another victim CONNIE SIBIYA was deliberately knocked down by the apartheid army vehicle.
17. During Connie Sibiya’s funeral, apartheid forces fired rubber bullets, arrested and charged innocent people with public violence.
18. During that court appearance on the 11th of March 1986 that came as a result of a postponement date of 26 February 1986, people of all ages turned-out in their numbers to pledge solidarity to the students on that morning outside the court in Kabokweni.
19. In what seemed to resemble some panic from the side of the apartheid forces, they started shooting at the crowd, which resulted into the death of many other innocent people. That painful day of the 11 March 1986 turned to be known as the Lowveld Massacre.
20. Today as we deliver these proposed MTEF estimates and budget allocation for 2014/15 financial year, we are inspired by this form of bravery and sacrifice that has not gone in vain.

21. We celebrate our 20 years of Democracy as we honour the innocent life lost in *lieu* of everlasting peace, democracy and free education for all.
22. This is an ideal that might not have been realised in 1986, but today through their sacrifices:
 - 873 957 children are receiving free nutrition,
 - Learner Teacher Support materials are provided for free in our schools.
 - Children located far away from schools are provided free scholar transport.
 - More schools have been built since the dawn of democracy and the first University in our Province has been established.
 - To date 1 646 schools in poverty-stricken communities have been declared no fee-public schools.
 - Our children enjoy a right to register and learn in any school of their choice regardless, of the colour, creed and class.
 - Our children enjoy a right to participate in any form of sport and recreational activity to showcase and build talent without being prejudiced based on race, gender, class and creed.
 - Like all other people in South Africa they enjoy freedom of association and expression and a right to mingle without any prejudice.

Call to vote in honour of Madiba on 7 May 2014

23. Our twenty years of democracy is coming full cycle on the 27th of April 2014.
24. The democracy that was ushered through that historical vote on 27 April 1994 knew neither race nor colour and creed for the first time. A vote that brought an end to apartheid rule and usher programmes towards fighting poverty, unemployment and inequality.

25. This is our story.
26. It is a story calling for a celebration - A good story worth telling again and again with a tear, a smile, ululations, plus a song and dance.
27. On the 7th of May 2014, all freedom-loving people are once more called to go in their numbers for the 4th time in our democracy to vote.
28. We are calling on all our people to go and vote in order to sustain our democracy and its programmes to roll out the shackles of poverty, unemployment and inequalities.
29. Four times is not one too many a sacrifice in defence of our democracy and so is twenty years!
30. Let us remind each other that it took Madiba 67 years of life sacrifice and 27 years of hard labour imprisonment to fight for this right.
31. LET US GO AND VOTE AND THIS TIME LET US DO IT FOR MADIBA.
32. While doing so we need to remind those that we will be voting to office of Madiba's warning in 1993 that *"a vote without food, shelter and health care would be to create the appearance of equality while actual inequality is entrenched"*.

20 Years of victory and success

33. The Government has, over the past 20 years, committed itself to continue implementing the vision that former President espoused – that of diverse people united in a common goal of making a better life for all is possible in our lifetime.

34. The 20 years of democracy has not been an easy one. It was twenty years of hard work, of major victories and achievements and at the same time is 20 years of loss, pains and disappointments.
35. Through our commitment we celebrated victories and achievements and through our laxity, we suffered losses and failures. Of course for some natural losses we commemorated, though in pain, achievements in posterity.
36. However, the people of Mpumalanga have a reason to celebrate a serious movement forward.
37. We have to remember that it is a twenty years journey of scaling more mountains that Madiba alerted us about in our journey towards the attainment of total freedom.

Lessons learnt from first term of democracy

38. Honourable members and our people will remember that we are coming from an apartheid history of flawed and non transparent system which lacked accountability.
39. The situation inherited from apartheid in 1994 was so confused that even today it is not easy to have a trace of organised data that may enable us to say with confidence that indeed this is where resources were used.
40. These systemic problems had a carryover effect in the manner in which we deliver services. As a result, while we excelled in some areas of delivery, we still suffered challenges of quality in some and leakages of resources through various unscrupulous conduct, including corruption.

41. The assuring of the PFMA and the accountability-entrenched systems, such as the Office of the Auditor General has allowed a better way of allocating and accounting for the usage of public resources.
42. To this effect, we can proudly boast that since then, we are able to account for every resource spent across the fifteen years up to date.
43. It must be noted that the 1995 to 1999 was a period of rapid growth.
44. The provincial annual average growth was even better than the national average. But these were growth with expansion in new investments and employment.
45. We need to indicate though that the lack of systems and corporate governance standards in government, coupled with an exaggerated abilities of the invisible hand of the market, and the overly down playing of state role in the economic development of the country, has made the country to loose opportunity to position government planning and resources towards building up investments and reserves that would anchor the economy in difficult times.

The fourth term of democracy: success and challenges

46. The ANC-led Administration under the stewardship of the Honourable Premier Mabuza has since 2009 recorded a landmark contribution to the fight against the already mentioned stubborn triple evils of poverty, unemployment and inequalities.
47. During this period, we have seen a commitment towards finding solutions to the remaining governance and delivery challenges that has haunted government over the fifteen years of democracy:

- It created the system for effective management of finance;
 - Committed to clear historical financial management and planning challenges that led to either perpetual rollover or over commitment of resources in the midst of abject poverty in our society.
 - Today we can proudly say system to improve budget management *going forward* is in place and is beginning to bear fruit.
 - The functional shift of security services, scholar transport, bursaries and Further Education and Training has enabled efficiency and enhanced the system of total accountability for financial resources at the relevant departments.
48. It is our hope that this will reduce leakages in the future and release more resources to be utilised in programmes aimed at improving the lives of the people.
49. However, it is important to indicate while the majority of departments enjoy better and continuously improving management systems, there are those departments where this is still work in progress.
50. We are confident though that this also be the case in the Department of Community Safety, Security and Liaison, Department of Health and Department of Agriculture, Rural Development and Land Administration by the 2015/16.
51. Department of Community Safety, Security and Liaison has already turned the corner.
52. While infrastructure delivery shows serious improvements, we must pay attention to issues of escalation of costs and leaks in the delivery of social and economic infrastructure, such as roads and transport infrastructure.

53. Going forward, we also need to pay attention to the timely delivery quality houses within integrated Human Settlements.

Impact of Mpumalanga expenditure

54. Much efforts have been made towards improving the lives of the people of Mpumalanga in the past twenty years:

- The Provincial Government has spent R237.3 billion from 1998/1999 to 2012/13 financial year.
- About R139 billion of this total expenditure was spent in the last 5 years.
- A substantial amount of this budget was used to provide the most needed basic services. In the last five years:
 - More than R65.2 billion was used to increase opportunities for children and youth to be in school and open the doors for them to enter the institutions of higher learning;
 - Provincial Government spent almost R35.4 billion to improve access to health programmes and facilities. Although faced with plethora of challenges, the Mpumalanga ANC led Government has provided free health care to children, pregnant women, pensioners and unemployed since the dawn of democracy;
 - It has also used this money to ensure that people have access to testing for HIV and AIDS and life style related diseases and those tested positive on any of the mentioned diseases are provided treatment.

- The results are showing on spending of resources over the 20 years, including the recorded increase in the life expectancy of the people, for males at 55.9 years and female 60.1 years. However the HIV and AIDS pandemic is still a challenge we need to tackle.
 - About R4.7 billion was used to provide access to housing in Mpumalanga.
 - Department of Public Works, Roads and Transport spent R3.7 billion to develop and maintain social and economic infrastructure.
 - We have redirected services to poverty stricken rural areas of the Province through the implementation of Comprehensive Rural Development Programme, *Masibuyele eMasimini* amongst others.
55. Our analysis indicates that the provincial expenditure, in general, has made a huge impact on the lives of the citizens of Mpumalanga.
56. Most of the socio-economic indicators show an improvement since 2009, despite the negative impact of the recession on our province and people.

Economic landscape

Economy

57. The 2014/15 Provincial Government Budget is tabled in an environment of continued economic and fiscal uncertainty.
58. Yes, another difficult year lies ahead.
59. The world economy is still in difficulty.

60. The economic recovery remains uneven and not without risks.
61. While we have stabilized our national and provincial economy since 2010 and achieved a relatively good recovery in economic growth and job creation, we still suffer the effects of the global downturn of 2008/09.
62. The average annual GDP (gross domestic product) growth between 2009 and 2012 was 3.1 per cent for South Africa and 2.4 per cent for Mpumalanga. Both the national and provincial economy experienced a growth rate of less than 2 per cent in 2013.
63. The economic outlook for especially the Eurozone remains fragile and growth in this region is expected to remain subdued at around 1 per cent in 2014.
64. This put a serious strain to the availability of resources to fund our development priorities.
65. Our provincial average annual growth rate over the 1995 to 2012 period is 2.8 as compared to 3.3 at a national level.
66. It must be noted that the provincial economy has not outperformed the national economy in terms of GDP growth since 1999. The structural differences between the province and national explain the difference.
67. With the improvements in the working of government systems and its planning, it is now easier for government to realise that our primary sector, on which the province depends for more than one fifth of the economic contribution, grew by a modest 1.3 percent annually over the 17 years period to 2012.

68. This is in contrast to the secondary and tertiary sectors that achieved average annual growth of 3.1 and 3.6 per cent per annum, respectively.
69. This realisation will allow us to be able to put in measures and programmes to increase our growth rate to more than 5 per cent per annum in line with the National Development Plan (NDP) and our Provincial Vision 2030 targets.
70. This is a matter we need to attend to urgently going forward. Partnership between labour, business and government is very critical in this regard.
71. This year, the Mpumalanga economy is expected to grow at a rate very much in line with the national growth expectations of 2.7 per cent, this year. An average annual provincial GDP (gross domestic product) growth of 3.6 per cent is expected for the 2012-2017 period.
72. The Honourable Minister of Finance, Pravin Gordhan, was spot on in his Budget Speech on 26 February 2014 when he said:
- “... we need to do more, together with labour, business and all stakeholders, to lead our economy in a new, bold direction for higher growth, decent work and greater equality”.*
73. Honourable Speaker, we have to respond to this growth challenge. We did achieve provincial growth rates of more than 4.5 per cent between 2005 and 2007 before recession. I am sure together we can do this again.
74. We welcome the announcement by the Honourable Minister of Finance in the National Budget Speech, that Government is developing an agricultural policy action plan to support the NDP's target of creating one million jobs in agriculture and land reform by 2030.

75. As a province we need to build necessary capacity to support this initiative. We need to take full advantage of this initiative to the benefit of the people of Mpumalanga
76. The national budget set aside over R7 billion to be spent on conditional grants to provinces to support about 435 000 subsistence and 54 500 small holder farmers and to improve extension services.
77. The more than 150 000 Subsistence farmers in our province should utilize these opportunities to make a difference in and impact on our agriculture industry.
78. Young people should look at this and begin to innovate on how best they can start assisting in the positioning the province for
79. Together we can make a positive impact on economic growth, and also on job creation and the reduction of poverty and inequality.

Job creation and unemployment

80. According to the latest Quarterly Labour Force Survey (QLFS) of Statistics South Africa, Mpumalanga experienced a net job creation of almost 100 000 between the first quarter of 2009 and fourth quarter of 2013.
81. High employment growth was experienced in community services, finance, mining, utilities and trade in this period.
82. The Honourable Premier, DD Mabuza, pointed out in the State of the Province Address on 28 February 2014 that the number of jobs that were created in the above period, was unfortunately lower than our expectations.
83. We agree. We must do more.

84. The good news is however, that Mpumalanga experienced a good recovery in terms of employment during 2013.
85. The Province recorded a net job creation of 84 000 jobs between the fourth quarter of 2012 and 2013.
86. Mpumalanga's unemployment rate remains relatively high at 27.2 per cent, which was the fourth highest among the provinces at the end of the fourth quarter of 2013.
87. The youth unemployment rate (15-34 years) also remains very high at 38 per cent. Of the provincial unemployed number of 428 805, 73.6 per cent are people between 15 and 34 years of age.
88. It is important to improve the level of education and skills of young people, to increase their employability in the labour market.

Reducing Poverty

89. Our poverty rate declined from 43.7 per cent in 2009 to 36.9 per cent in 2012;
90. The number of people in poverty declined by 180 000 in the same period;
91. The number of grant recipients in the province increased from 959 000 in 2009 to 1.4 million in 2013, and
92. More than R8 billion is now spent by SASSA (South African Social Security Agency) annually on social assistance in Mpumalanga.
93. Most of the socio-economic indicators show an improvement since 2009, despite the negative impact of the recession on our Province and People. We should continue to utilize the budget as a tool for growth and development and make sure that Departments' budgets respond to the socio economic challenges of our province.

Budget principles

94. The budget that we present today is underpinned by the principles that will assist the Departments with a budget framework and to deal with leaks of the financial resources in the administration, this includes amongst others:
- to close the funding gaps between the national and provincial norms of allocation in the social sector. This is intended to improve planning, smooth service delivery, minimise in-year budget adjustments that tended to disrupt service delivery;
 - to reprioritise line items in order to improve efficiency gains, especially in communication and fleet management;
 - to strengthen the management and accountability for accruals, and
 - to provide resources for disaster and emergency related issues, such as that we are currently experiencing in various parts of the Province.
95. The principles emphasises proper planning to ensure that resources are allocated appropriately, implementation of budgets is monitored and on-time accountability is enforced throughout the administration.

Medium Term Budget Framework

Revenue

96. In 1998/99 the total budget of the Province was R6 billion. This grew to R31.5 billion in the 2012/13 financial year.
97. The Province has received R154.8 billion in equitable share from the national budget since 2004/5 financial year. During the same period ending 31 March 2013, the Province generated a revenue amount of R7.1 billion.

Budget

98. We are proposing a total Budget of R126.4 billion over the 2014 MTEF period for consideration by the House and the incoming administration.
99. The Provincial budget is expected to increase at a rate of 5.8 per cent annually in the next three years.
100. A proposed budget for 2014/15 is R36.4 billion, which represent a 6.7 percent increase from the 2013/14 financial year adjusted budget.
101. This budget is made up of R29.4 billion from the Equitable Share; Conditional Grants amounting to R6.3 billion and Provincial Own Receipts of R762 million.

Policy spending priorities

Improving the quality of education and skills

102. Education is the backbone of future economic prosperity of every society.
103. In total, R51.5 billion is allocated to the Department of Education to implement programmes aimed to improve the quality of education and skills in the 2014 MTEF period.
104. The allocation to education for 2014/15 is R16.1 billion, which represent an increase of 6.6 per cent from the 2013/14 adjusted budget.
105. The Department will amongst others implement programmes to improve performance in Mathematics and Physical Science; support the systems to improve underperforming schools and expand access to Early Childhood Development (ECD) in centres.

106. The allocation to this priority area includes an additional amount of R256 million for school infrastructure in 2014/15 and R40 million for the modification of the structure and operationalization of the Maths, Science and Technology Academy.

Improving health profile

107. We have set aside R28.7 billion over the 2014 MTEF to enable the Department of Health to ensure that mothers attend the appropriate ante-natal care services timeously; strengthen capacity to manage neo-natal complications; provide HIV Counselling and Testing in public health facilities and implement a strategy to respond comprehensively to the challenges of HIV and AIDS.

108. During 2014/15, the Department receives an increase of 10.7 per cent, taking the budget to R8.9 billion. R882 million will be allocated for procurement of drugs; R241 million to fund medicines Class 2 and for vaccination of children and others.

109. The budget will also make provision for improvement of infrastructure, with an additional R4 million for maternity waiting rooms. R88 million will be used to replace old fleet. R139 million is also set aside for maintenance of facilities.

Create decent work and sustainable livelihood

110. An amount of R19.6 billion over the 2014 MTEF is allocated to the Departments of Public Works, Roads and Transport; Economic Development, Environment and Tourism and Agriculture, Rural Development and Administration.

111. The budget will be used amongst others to support Cooperatives and SMMEs; tourism development; promotion of investment and investment in social and economic infrastructure; promotion of sustainable environmental management and provide comprehensive support to small scale farmers and cooperatives.
112. An amount of R372 million over the 2014 MTEF is allocated to DARDLA for the Comprehensive Rural Development Programme, with R118 million appropriated in 2014/15. The allocation includes R30 million in 2014/15 for the Fresh Produce Market.

Broadband infrastructure

113. The Provincial Government intends to invest in Broadband infrastructure to provide access to a wide range of resources, services, and products that can enhance the life of every citizen.
114. The limitless opportunities presented by expanded broadband include access to a wide range of educational, cultural, recreational opportunities and resources.
115. We would like to move to a stage where medical care can be provided to served and underserved populations through remote diagnosis, treatment, monitoring, and consultations with specialists amongst other services.

Fighting crime and corruption

116. The fight against crime and corruption is one of the key priorities of this government.

117. In this regard, R3 billion is allocated over the 2014 MTEF for the implementation of the Border and Stock Theft management plan, integrated social crime prevention strategies, rural safety programmes and to curb the exploitation of procurement processes.

118. The allocation also provides for the establishment of victim-friendly facilities, school safety programmes and rollout a 365 days programme on violence against women and children.

Integrated Human Settlements

119. Human Settlements receive R4.7 billion over MTEF to accelerate the provisioning of housing opportunities for deserving households in rural and urban areas; to implement the Human Settlement Master Plan, provide basic services and bulk infrastructure and increase access to affordable housing.

120. The Department has been allocated a grant of R1.1 billion for provision of housing development, of which R25 million is earmarked for the mining towns of Emalahleni; Steve Tshwete allocated R10 million and Thaba Chweu receiving R7 million in 2014/15.

Building strong local government and traditional leaders and their communities

Shifting of Development and Planning

121. In order to deal with spatial planning challenges in the Province, the Honourable Premier has enacted the Spatial Development and Land Use Management Act, 2013 (Act No. 16 of 2013).

122. This proclamation resulted in a function shift of Land Administration programme from Department of Agriculture, Rural Development and Land Administration to the Department of Cooperative Governance and Traditional Affairs (COGTA) with effect from 1 April 2014.
123. The budget also responds to this policy development, by allowing for implementation of the function shift at the beginning of the financial year.

Municipal finance support

124. The Government has provided strategic support to the local government sphere. The structures to support efficiency are now in place. This includes technical and Executive MuniMEC as well as the Forums of the CFOs; Information Technology Practitioners amongst others.
125. Working together with our strategic partners, we assisted local municipalities to review the financial system of delegations.
126. We provided support that enabled the improvements on budgeting and MFMA section 71 reporting; as well as performance of the Municipal Public Account Committee.
127. A financial support amounting to R3 million has been transferred to the District Municipalities to assist 6 municipalities to enhance revenue management through data cleansing activity.
128. The Department of Finance, working together with COGTA and other partners will continue to support municipalities to fully comply with the MFMA reforms and thereby address their challenges.

129. We are encouraged by progress in the compliance with Municipal Regulations on Minimum Competency Levels.

130. A total of R1.2 billion is allocated over 2014 MTEF to build the system of local government into machinery that will provide excellent services to the people.

Social cohesion and nation building

131. R1.4 billion is allocated over 2014 MTEF towards programmes of building social cohesion and nation.

132. The budget for 2014/15 include R20 million towards the Cultural hub and R15 million for the High Altitude Centre.

133. Building capacity of the State as well as deepening democracy remains core to the programme of building a society founded on a vision of a society united in diversity.

134. An allocation of R1.5 billion is made for implementation of various governance and financial management programmes, in the next three financial years.

2014/15 Allocation to Vote

Honourable Speaker

The allocation per Vote for the 2014/15 financial year is as follows:

- Office of the Premier receives R205.3 million;
- Provincial Legislature is allocated R273.4 million;
- Department of Finance gets R268.1 million;

- A budget amounting to R418.7 million is set aside for the Department of Co-operative Governance and Traditional Affairs;
- Agriculture, Rural Development and Land Administration is given R1.07 billion;
- Economic Development, Environment and Tourism receives R861.7 million;
- The largest share of the budget at R16.1 billion is allocated to Education;
- Department of Public Works, Roads and Transport gets R4.1 billion;
- R1.027 billion is provided to Department of Community Safety, Security and Liaison;
- Department of Health is allocated R8.9 billion;
- R442.2 million is for Department of Culture, Sport and Recreation;
- Department of Social Development gets R1.2 billion, and
- Allocation of R1.3 billion towards Human Settlements.

135. We expect departments to be efficient and spend funds in the right areas to impact positively on society. Accordingly, the Departments' annual performance plans must respond to the socio-economic challenges of Mpumalanga.

Honourable Speaker,

136. During the period prior to PFMA the Exchequer Act was in force. At that time, all transactions were handled centrally by the Provincial Treasury.

137. There were numerous bank accounts with very little accountability. When the books were closed numerous journal entries were implemented.

138. This was the bad story of the past.

Public finance management reform

139. The reforms that were introduced by the government brought a good story to our financial management environment.
140. The PFMA brought about a good story which talks to a regime that regulates financial management to ensure that all revenue, expenditure, assets and liabilities of government are managed efficiently and effectively.
141. The decentralized approach brought by the PFMA provided for the responsibilities of persons entrusted with financial management in the respective governments; and to provide for matters connected therewith.
142. The PFMA also brought about a world where managers are allowed to manage and are held accountable for their actions.
143. The bank accounts were closed and funds were transferred to a new environment, a world where accountability is the order of the day.
144. Accountability has improved in that:
- Select Committee of Public Account was established to hold the administration accountable for financial management, and
 - There is now full disclosure of how budgets are spent in the annual reports of departments which are closely monitored and reported on by the Auditor General, and which are also available to the public.
 - We are able to compile financial reports in comparable with international standards.
 - Systems are in place, the controls are in place, we are able to present Multi-year budget projections.

145. We have established Audit Committees to oversee and advice on financial governance systems, including Internal Audit and Risk Management units in departments. These structures provide assurance and consulting services to add value and improve operations in the administration.
146. The Information Technology environment is becoming more critical in our governance system. It is critical for Internal Auditors to also improve their knowledge of the IT business environment and skills to provide assurance on IT governance.
147. While we can look at issues to address the challenges around Internal Audit, we caution the Accounting Officers and Managers that the Internal Audit cannot be a substitute for bad management.
148. The Internal Audit units must be given the space to report to the Accounting Officers and present reports on system of controls at an Executive level.
149. The Government will continue to strengthen its governance and controls to defeat the enemies of the public expenditure framework such as cost escalations on infrastructure projects and wasteful expenditure.
150. Compensation of Employees is the largest cost driver of the Provincial Budget. It is one of the budget line items which is vulnerable to manipulation and human errors.
151. The Provincial Government has identified the need to address the risk of potential ghost workers on PERSAL system.
152. The Department of Finance is in the process of implementing an Identity Verification Solution to mitigate the risk of payroll related fraud.

153. The Department has partnered with the Department of Home Affairs to obtain connectivity to HANIS (Home Affairs National Identification System) for the purpose of verifying the identity of personnel, including citizenship in the form of biometric-online fingerprint verification.

Conclusion

154. We must hold hands and reveal everyone's effort in carrying out the task of maximizing outputs within the constraints of the budgets that were allocated to take Mpumalanga Province Forward.

155. The attitude of the public servants in relation to public resources must change if we are to ensure credible financial accounting.

156. Those who milk the State through exaggerated and inflated quotations must be censured.

157. Honourable Speaker, Aristotle describes corruption as a product of activities or demagogues subscribing to oligarchies.

158. He says they quarrel amongst themselves over who should loot the Treasury with impunity.

159. Those that gets defeated in the game try to create a political change by playing demagoguery with the unsuspecting masses.

160. In the same context, Karl Marx states that demagogues are not benefactors of those they seek to influence. But they study corruption of the susceptible, so that they might be the chosen scapegoats, should demagogues' tactics lead to power.

Honourable Speaker

161. I hereby, on behalf of the Honourable Premier and the Executive Council collectively, table the Estimates of Provincial Revenue and Expenditure for 2014/15 and an Appropriation Bill for 2014/15 for consideration by this august House.

Honourable Speaker,

162. I extend my gratitude to the Honourable Premier for entrusting me with the responsibility to oversee the preparation of this budget framework to take the Province forward into the future of hope and prosperity.

163. To all Members of the Portfolio Committee on Legislature Oversight, Premier's Office and Finance and colleagues in the Budget and Finance Committee, thank you very much for sound advices and listening to us even when we thought some of the budget proposals may not be possible;

164. To my colleagues in the Executive Council, thank you for your continuous support and your participation in the MTEC discussions;

165. I would like to thank the Director-General for making the MTEC Technical discussions a possibility.

166. A word of thanks to the Head of the Department, Senior Management and all officials in the Department of Finance for your sacrifices during the preparation of this budget and for supporting me in carrying out the mandate of my organisation,

167. My humble thanks to my extended family, and my four girls and boy for standing by me and keeping up with my somewhat heavy schedule all the times.

168. Indeed a good story will be told by the generations to come.

169. We should tell those sceptics about our future through the words of Maya Angelou:

STILL I RISE

“You may write me down in history
With your bitter, twisted lies,
You may trod me in the very dirt
But still like dust I rise...

Did you want to see me broken?
Bowed head and lowered eyes?
Shoulders falling down like tear drops,
Weakened by soulful cries.

You may shoot me with your words,
You may cut me with your eyes,
You may kill me with hatefulness,
But still, like air, I'll rise...

Out of the huts of history's shame
I rise
Up from a past that's noted in pain
I rise

I'm a black ocean, leaping and wide,
Welling and swelling I bear in the tide.

Leaving behind nights of terror and fear

I rise

Into daybreak that's wondrously clear

I rise

Bringing the gifts that my ancestors gave,

I am the dream and the hope of the slave.

I rise

I rise

I rise"

The ANC lives

The ANC leads,

The ANC shall rise,

I thank you.