



treasury

Department of
Treasury
FREE STATE PROVINCE

Media Statement

13 June 2018

Speaking notes of MEC for Finance Hon. Gadija Brown at the 10 day programme in office.

Reclaim the significance of June 16

We are gathered here today during the month of June. South African Government has declared the month of June as Youth Month, it is a period set aside to pay tribute to the youth of 1976 for their activism. It is also a time to reflect on the progress made and address the challenges identified in order to drive the youth development agenda in South Africa.

This year marks 43 years since the 1976 Student uprising. It was at the height of apartheid struggle that Moses Kotane called on the youth to play a meaningful role in the liberation struggle when he said, *“At this hour of destiny your country and your people need you. The future of South Africa is yours and it will be what you make of it. On the other hand, a people, a country, a movement that does not value its youth does not deserve its future”*. The other struggle icon Oliver Tambo also said *“the society that does not invest in its youth does not deserve its future”*.

This year we also remember the 60th anniversary of the late comrade Peter Mokaba as he was born during youth month. Peter Mokaba radiated the spirit and talents of the death defying generation of youth activists of the 1980's, the Young Lions as OR Tambo called them in honour. Mokaba expressed the Young Lion's relentless and daring spirit; he expressed their intellect and wit; he expressed confidence and resourcefulness, Mokaba expressed the hope and challenging stance of young people.

As we prepare to renew and grow South Africa together, we are inspired by historic leaders and those who will continue to advocate the progressive youth agenda and continue to make history in our country.

Government continues to place the youth at the centre of economic development and has established institutions that facilitate youth development. Over the last 25 years policies have focused on addressing issues facing young people such as teenage pregnancy, youth mortality and access to education. A free education policy was introduced from 2018 to broaden access to higher education and training for qualifying young people.

A great deal of today's media breakfast lies in the fact that the Free State Provincial Treasury will continue to provide full support to the youth of the Free State as part of the main vision of the province. A critical assessment of the continuing good work of the Free State Provincial Treasury should be made against the backdrop of the limited and almost constant budget.

Most importantly we believe in the vision and the path to traverse in making the Free State Provincial Treasury in partnership with all stakeholders such banks, government sectors, national youth development agency (NYDA), a capable and credible institution central to the implementation of youth development programmes in South Africa's performance. Further to the organisations who are able to implement the youth agenda there are clear policies and legislation that advances the development of youth across various spheres and sectors of the country.

This is but one testimony of the many that are being told by young people daily. We call on the media this month to seek out these young people and use their platforms to tell these stories of hope and triumph.

Ladies and Gentlemen,

Misuse of alcohol and school uniform during Youth Month

During the process of marketing this media breakfast as Provincial Treasury we have received many discussion statements about schools close to taverns and vice versa, where abuse of alcohol happens by youth in school uniform. We encourage young people to continue in the spirit of Thuma Mina and play their part to take forward the issue of youth development and make South Africa a progressive place to live in. We do, condemn the use of alcohol by our youth wearing school uniform. We urge our youth to remember what it took for us to have June month dedicated to young people, and let's remember all the sacrifices done for our freedom and democracy.

The task ahead of us

As Provincial Treasury our task is to strengthen and consolidate the capacity of the state, and as it is in our mission *"To instill prudent financial management and good governance"*. We aim to ensure that there is a duly planned programme to enhance governance across the province. We also need to support departments and Municipalities through audit challenges in order to improve audit outcomes, and that our budgeting process should be aligned to growth, the ever changing environment and the needs of the people of the province. And lastly our vision is to have increased reserves over the medium- term Expenditure Framework (MTEF).

Experience thus far

As you will recall when Honourable President Cyril Ramaphosa assumed office he had engagements with several departments. This gave President Ramaphosa an opportunity to meet the political leadership, senior management and staff of those departments. I had an opportunity as the political head of Treasury to meet with the leadership of the department to provide an overview of my ideas and vision. We have

also started to meet with officials of the department to ensure the work of the department and government is effectively aligned.

We do this against the backdrop of the National Development Plan that South Africa needs to build a state that is capable of playing a developmental and transformative role, and to build a skilled and professional public service from both the top and the bottom.

For the past two weeks, we were engaged in Budget bilaterals for both Provincial Departments and Local Government. These bilaterals were in preparation of the Premier's State of the Province address, Budget Vote Speeches of all MECs in the Province and EXCO Budget Lekgotla that will be held in few weeks. We discussed a number of issues such as revenue collection, SCM compliance, 30 days payments process, Irregular Expenditure, Fruitless and wasteful expenditure and unauthorized expenditure, MIG and Grant funding governance and support, that concerned both departments and municipalities. The bilateral processes with departments enabled us an opportunity to identify duplications, find ways of integrating our work, create efficiencies and to derive economies of scale.

I also had a pleasure to attend a Summit for the Public Sector Supply Chain in Durban, where I was part of the discussion panel which dealt with irregular, fruitless and wasteful expenditure. The Summit further dealt with a number of supply chain management issues within both Private and Public Sector.

Over the past 10 days we have engaged all councilors across the province. An initiative by the Hon. Premier and MEC for COGTA. This provided us with an opportunity to talk to the vision of Treasury in supporting municipalities to strengthen governance and improve the financial health of Free State municipalities. We have also met with 4

struggling municipalities where we intervened during their budget process and supported them towards their closure of the financial year.

One of the initiatives we will be embarking on is to strengthen and expand task teams and steering committees to provide joint implementation and accountability to eliminate duplications across the province within Provincial and Local Government.

The objective of Treasury is firstly outward looking on Provincial Departments, the Macro Economy and Municipalities and inward looking as we lead the teams who are tasked to do this important work.

What is due over the next 3 months which will be during the 1st 100 days of office.

First and foremost, will be, to finalize the budget process.

Audits are next on the agenda – treasury will be highly involved in the oversight and support to ensure that the PFMA regularity audits by AGSA are finalised on time and without any hindrances.

The province is concerned about the irregular expenditure incurred and a task team will be established to ensure that the outstanding cases are dealt with in line with the regulations.

It is our understanding that the failure by department to pay service providers with 30 days has far more reaching implications for business and we will be focusing on compliance to 30 day payments.

From an empowerment and transformation perspective, the Department held its 4th annual roadshow in collaboration with Small Enterprise Development Agency (SEDA), South African Revenue Service (SARS), Free State Development Corporation (FDC) and Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA). Support was also provided to suppliers for them to be able to amend, self-register on the Central Supplier Database.

This roadshow shared information on the following:

- Available funding options and processes that must be followed to obtain funding;
- Tax Compliance;
- Business support and opportunities;
- Processes to follow when requesting in-kind support from organs of state; and
- Challenges experienced on the Central Supplier Database

The Free State Provincial Treasury held Private Public Partnerships (PPP) Forum with sister departments such as Health, Police, Roads and Transport as well as the Department of the Premier to fastrack the implementation of PPP projects registered with National Treasury.

We are also pleased to announce that we have in collaboration with State Information Technology Agency (SITA) finalised the bidding process for the 3 year labour saving device transversal contract. We are closely monitoring the progress on the maintenance of the Free State Supplier Management system to ensure that the province derive value out of this system.

For the first time the Free State Provincial Treasury conducted training for Chief Audit Executives (CAE's) and Internal Auditors on the review of Annual Financial Statements (AFS) for Departments and Entities. This training will assist the CAE's and Internal

Auditors to identify proactively misstatements on the AFS with a view to submit high quality AFS for audit purposes.

We intend to finalise our process to consolidate the legislative and administrative requirements of Infrastructure across provincial departments. The Free State Provincial Treasury visited Infrastructure projects sites from 11-12 June 2019 as part of its oversight role.

We have also produced the Quarterly Labour Market Review which is an online publication providing an analysis of the quarterly labour force survey conducted by Statistics South Africa with a special focus on the Free State Province.

Today we are hosting the Chief Financial Officers' Forum (CFOs' Forum) where we have invited all the CFOs' of municipalities in the province to share new reforms, critical information and best practices. We are in the process of establishing a municipal financial recovery services unit to support identified distressed municipalities with the development of financial recovery plans aimed at improving the financial health of such municipalities.

We have commenced with the headcount exercise at Lejweleputswa district municipality to verify the accuracy of the payroll. We will be focusing on other municipalities once we finalise this process.

Conclusion

Let me conclude by quoting our first democratic President, Dr. Nelson Mandela when he said *“Young people are capable, when aroused, of bringing down the towers of oppression and raising the banners of freedom”*.

It is also an opportune time to advise the young men and woman of Mangaung Metro that during this month I would like to take 10 young people between the ages of 15 and 35 through an extensive financial wealth and financial liberation programme. The objective is to ensure that as young people we learn to save, invest and purchase assets to improve net asset value over long term. I would further like to extend the call to financial advisors who would love to do this pro-bono, from the bottom of their hearts or as a corporate social investment project to give back to their communities.

The programme, depending on the pilot, will be extended to many more beneficiaries over the rest of the year across the province. Beneficiaries will be selected through a process and the financial advisors criteria.

Let me take this opportunity to thank the Premier for her leadership, the executive council for their support, to the CEO and to all individuals within treasury to ensure that we had an extensive active robust first ten days in office.

Allow me to thank all media houses present here today and wish you well in your work. I trust we will have good working relations with you. My door will always be open for engagements with you, thank you.