

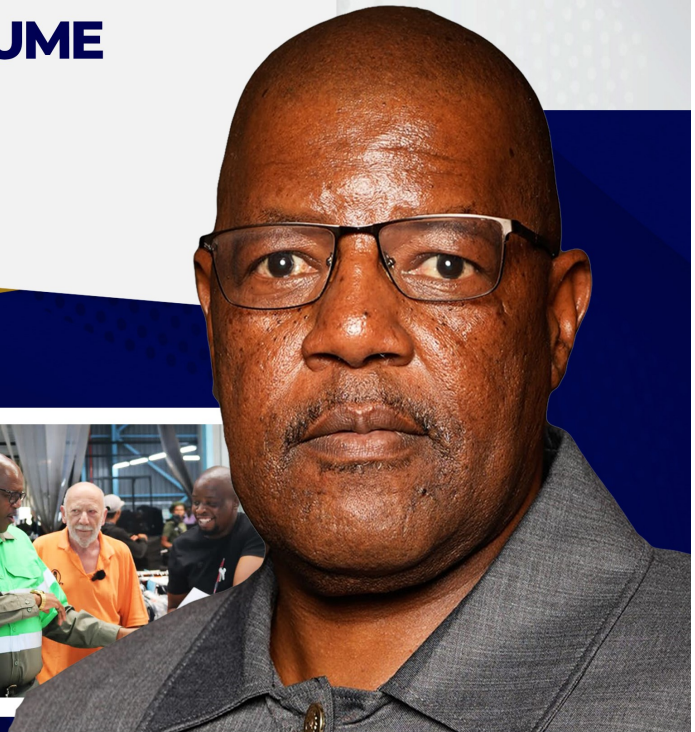


DEPARTMENTAL BUDGET VOTES

2025

VOTE 4

HON M.K MAKUME
Finance



TUESDAY, 15 APRIL 2025



Fourth Raadsaal,
Bloemfontein



10h00



treasury

Department of
Treasury
FREE STATE PROVINCE



A **FREE STATE** THAT **WORKS** FOR ALL



DEPARTMENTAL
BUDGET
VOTES **2025**



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2025 DEPARTMENTAL VOTE SPEECH
FREE STATE PROVINCIAL GOVERNMENT

Hon. M.K. MAKUME

MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND
TOURISM: FREE STATE PROVINCE

15 APRIL 2025



DEPARTMENTAL
BUDGET
VOTES **2025**



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FREE STATE PROVINCE

Hon. Speaker Mr. Mxolisi Dukwana

Hon. Premier Me. MaQueen Letsoha-Mathae

Deputy Speaker Me. Nolitha Ndungane

Members of the Executive Council

Chair of Chairs

Traditional Leaders/ Marena

Members of the Free State Legislature

Executive Mayors, Mayors and Councillors

Acting Director-General of the Province

Heads of Departments and CEOs of the Provincial Public Entities

Chairpersons of the respective provincial boards

Distinguished Guests

People of the Free State Province

Dumelang!

Molweni!

Goeie môre!

Good morning!

INTRODUCTION

Hon. Speaker, as we commemorate 31 years of freedom, we are reminded that democracy is not an event, but a journey—a continuous process that must be nurtured, deepened, and translated into real and lasting change in the lives of our people.



We are equally reminded of the Constitution of the Republic of South Africa, which acknowledges the injustices of our past. Through our freely elected representatives, we have adopted the Constitution as the supreme law of the Republic, with the express purpose to:

- Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
- Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
- Improve the quality of life of all citizens and free the potential of each person; and
- Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.

This month, we pause to reflect on the progress we have made as a province and a country. We also take the opportunity to re-examine the work that lies ahead as we strive to build a more just, equitable, and prosperous society.

Honourable Speaker, economic freedom is fundamental to human dignity. For millions of our people, the true measure of freedom lies in access to economic opportunities, quality services, and an enabling environment in which they can thrive. This is why the work of the Provincial Treasury is about far more than managing public finances. It is about fostering economic transformation, enabling inclusive development, and sustaining the very foundations of our democracy.

Freedom Month compels us to ask ourselves: *Have we done enough to change the lives of the poor, the unemployed, and the marginalised?* The answers to these questions are not found in speeches or slogans but in the manner in which we plan, allocate, spend, and monitor public resources. Our performance as stewards of the



public purse must reflect a commitment to improving the lived realities of our people.

As custodians of the provincial fiscus, our sacred duty is to ensure that freedom is not undermined by wasteful expenditure, corruption, or inefficiency. Every mismanaged rand is a missed opportunity—an opportunity to uplift a household, build a school, maintain critical infrastructure, or provide clean water to a rural village.

Honourable Members, as we reflect during this Freedom Month, let us renew our commitment to the principles of good governance, transparency, and fiscal discipline. Let us continue to build a public finance system that supports service delivery, economic growth, and the empowerment of all citizens—particularly the most vulnerable. In doing so, we give practical meaning to the freedom we celebrate, and we honour the legacy of those who paved the way for our democracy.

Let us continue to make freedom real, measurable, and meaningful in the lives of our people. May our actions and our stewardship reflect the hopes of our nation and the values of our Constitution

ECONOMIC REVIEW AND OUTLOOK

Global

Hon. Speaker, the global economy is faced with new challenges of protectionism, persistent inflationary pressures, geopolitical instability and structural shifts. The proposed US tariffs present significant challenges and disruptions to international trade. Already, global stock markets have tumbled because of these proposed tariffs. The rand also took a knock trading at its all-time low on Wednesday (9 April 2025), exacerbated by uncertainty over the country's Government of National Unity.



These developments do not augur well for our provincial economy which is already under strain.

Provincial

The Free State economy contracted by -0.1 percent in 2024 and is projected to grow by 1.5 percent in 2025—driven by, among others, agriculture, trade, construction, finance and transport. However, sustainable economic growth will require decisive reforms in energy, logistics, and investment facilitation, alongside strengthened public-private partnerships and targeted SME support. Attracting foreign and domestic investment while aligning skills development with industry needs will be fundamental to achieving long-term economic resilience. The focus should also be on job-creation, inclusive and sustainable growth.

Hon. Speaker, allow us to provide the details of the Vote allocation per Programme. The Provincial Treasury is allocated a total amount of R384 million for the 2025/26 financial year.

This amount is disaggregated across the various Programmes as follows:

- Programme 1: Administration – R133 million
- Programme 2: Sustainable Resource Management – R65.8 million
- Programme 3: Asset and Liabilities Management – R72.5 million
- Programme 4: Financial Governance – R34.1 million
- Programme 5: Municipal Finance Management – R78.4 million.



PROGRAMME 1: ADMINISTRATION

The role of this Programme is to provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure that there are appropriate support services to all other programmes.

Honourable Speaker, as we reflect on the allocations within this year's budget, it is important to acknowledge not only the visible output of our programmes but also the crucial machinery that enables them to function. Allow me to share a simple analogy.

Imagine Provincial Treasury as a symphony orchestra performing a complex and beautiful piece of music. The line functionaries and departmental leaders are like the musicians and the conductor — they are the ones in the spotlight, delivering the performance that the public sees and hears. But behind that performance is a dedicated and often unseen group — the stage crew. These are the people who prepare the stage, tune the instruments, manage the sheet music, adjust the lighting, and ensure that each performer is ready to shine.

In much the same way, our administrative support services form the backbone of our department's operations. They may not be the ones playing the music, but without them, the show simply cannot go on. They manage staffing, budgets, logistics, and operational planning — just as the backstage crew ensures everything flows seamlessly behind the scenes.

Cyber security

Hon. Members, cybersecurity has become an essential pillar in safeguarding sensitive government information and upholding public confidence, particularly as cyber threats continue to evolve in sophistication and scale.



In recognition of this growing risk, the Provincial Treasury, in collaboration with the Office of the Premier, will be strengthening cybersecurity measures across the provincial administration. This investment marks the beginning of a broader effort to institutionalise cybersecurity as a core component of ICT governance and service delivery in the province.

Currently, departments are operating in a largely decentralised manner when it comes to cybersecurity and ICT risk management. This fragmented approach leaves gaps in oversight, coherence, and resource optimisation. As such, there is a clear need to rationalise efforts and begin conceptualising a centrally managed Provincial Cybersecurity Operations Centre (PCOC). This envisioned centre will consolidate monitoring, threat intelligence, and response capabilities under a unified architecture. It will also require significant ICT infrastructure planning and shared governance models.

The strategic areas of collaboration will include following:

- **Strengthening ICT Governance:** Reinforcing departmental compliance with prescribed cybersecurity protocols and standards to enhance resilience across the provincial network.
- **Securing Financial Systems:** Safeguarding critical financial infrastructure and platforms against potential cyber threats and vulnerabilities.
- **Capacity Building:** Advancing cybersecurity awareness and implementing targeted training programmes to equip government personnel with the necessary skills and knowledge.
- **Strategic Alignment:** Promoting consistent adherence to the Provincial Cybersecurity Strategy to ensure a cohesive, cost-effective, and unified provincial response to cybersecurity challenges.



This integrated approach will ensure that the Free State Government is well-positioned to mitigate cyber risks, protect public sector assets, and foster trust in digital government services.

Hon Speaker, we wish to reiterate the importance of the skills audit as a strategic and empowering intervention—not a punitive measure. This process is not intended to target or marginalise employees with limited qualifications or experience. Rather, it is a developmental initiative designed to identify skills gaps and provide the necessary support to close them.

The Provincial Treasury, in partnership with the Office of the Premier, will lead this critical initiative. Our ultimate goal is to build a capable and skilled public service—one that is equipped to deliver quality services and respond effectively to the needs of our communities.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

The role of this programme is to provide professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of provincial budgets.

Review of the Baseline Allocations

Hon. Speaker, as the custodian of the provincial budget, the Free State Provincial Treasury will be leading the efforts to strengthen fiscal discipline, drive efficiencies, and ensure that our limited resources are optimally allocated and effectively utilised. The strengthening of the provincial budget begins with rigorous review of existing budget baselines. We can no longer afford to allocate resources based purely on historical patterns without questioning effectiveness, efficiency, and relevance of such.



The review of the baseline allocations will be undertaken with two primary objectives, that is:

- To identify and address inefficiencies with a view to improve the effectiveness of our spending; and
- To unlock funding for critical provincial priorities and budget pressures.

This exercise is not just a paper process. It involves close collaboration with departments to ensure that each line item is interrogated, every programme is evaluated, and every rand is accounted for.

Spending Reviews

Hon. Speaker, in addition to the budget baseline reviews, the Free State Province will be participating in the spending reviews in partnership with the National Treasury and other key stakeholders. These reviews are aimed at assessing value derived from major spending areas, assessing the efficiency and impact of government programmes, and identifying opportunities for cost-saving without compromising service delivery. Basically, these spending reviews represent a shift from compliance-based budgeting to performance-informed budgeting — a key pillar of sustainable fiscal reform.

Hon. Members, as we alluded during the tabling of the Provincial Budget, the Free State Provincial Treasury will continue to monitor strict adherence by departments and entities to provincial cost containment measures which are aimed at reducing spending on non-core items and directing savings towards critical service delivery areas. Speaker, we must emphasize that cost containment is not just a financial strategy—*it is a moral imperative*. We owe it to our citizens to ensure that every rand is spent with care, purpose, and measurable impact. We must continually pursue more efficient ways to maximize value for money in government programs until the fiscal situation improves.



Strengthening and Enhancing Oversight Structures on Infrastructure

Hon. Members, strengthening oversight mechanisms is central to our mission, especially on a catalytic programme such as infrastructure investment. This role is underscored by Section 18 of the Public Finance Management Act (PFMA), which mandates the Provincial Treasury to exercise oversight role over the financial management of all provincial departments and public entities. Allow me to remind this august House that, among the key powers and functions entrusted to us as the Provincial Treasury, are the following:

- Exercise control over the implementation of the provincial budget;
- Must issue provincial treasury instructions not inconsistent with PFMA;
- Must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of PFMA by a provincial department or a provincial public entity; and
- May do anything further that is necessary to fulfil its responsibilities effectively.

To this end, in this financial year and going forward, we will intensify our oversight role on expenditure control and infrastructure delivery management. We must curb delays, budget overruns, and non-compliance in infrastructure delivery which tend to weaken development outcomes and erode public trust in government. Hon. Speaker, to address this, the Provincial Treasury will:

- Implement stricter monitoring frameworks for infrastructure projects;
- Improve planning and costing accuracy through technical support and training;
- Ensure alignment between infrastructure spending and long-term provincial development goals; and



- Strengthen our monitoring structures by ensuring that the MEC for Finance and the Head of Department for Provincial Treasury preside over quarterly infrastructure and expenditure review meetings. These sessions will serve as platforms where departments are held accountable for their respective infrastructure projects and expenditure trends.

We will further reinforce the Infrastructure Delivery Management System (IDMS) to improve the lifecycle management of infrastructure projects from conception to completion.

Speaker, the support provided to municipalities in relation to infrastructure delivery will continue in 2025/26. We are equally delighted that approval for the implementation of PINK II has been granted by the National Treasury; this programme seeks to enhance the efficiency of municipal infrastructure plans and implementation. The Provincial Treasury will drive the implementation of the PINK II phase and will continue building municipal capacity and capabilities in infrastructure procurement, knowledge management, and improved governance and sustainable infrastructure service delivery.

Compensation of Employees: Driving Balance and Efficiency

Hon. Speaker, compensation of employees continues to consume a significant portion of our provincial budget. While we value a skilled and motivated public service, the current wage bill is unsustainable. We welcome the early retirement initiative introduced by the National Treasury, which we believe will be positively received by colleagues aged 55 and above. We further believe the Office of the Premier will lead provincial departments in considering staff rationalisation, guided by skills audits. These measures, among others, are necessary steps toward ensuring that the wage bill is sustainable and that the departments are structured for maximum effectiveness.



Building Fiscal Resilience through Revenue Enhancement

In last year's Vote Speech, we emphasized the urgent need for the province to enhance own revenue mobilization capabilities. Hon. Members, today we are proud to report that these efforts have yielded encouraging results. We have registered significant improvements in revenue collection, the revenue collected as at end of February 2024 exceeded our revenue target for the 2024/25 financial year.

This is not just an accounting milestone — *it is a sign of improved compliance, enhanced governance, and an emerging culture of accountability across our revenue-generating institutions.*

However, we must be realistic, transfers from the national fiscus are no longer sufficient to fund all our provincial priorities. While we are grateful for these allocations, they are increasingly constrained by national economic pressures and cannot alone drive the transformation we envision for the Free State. We must accelerate our efforts to expand and strengthen our own revenue base — *not as an optional reform, but as a strategic imperative.*

Hon. Premier, we are not only safeguarding our fiscal integrity — *we are laying a foundation for a more self-reliant and resilient province.* Every rand collected is a step toward better roads, better hospitals, safer communities, and a growing economy that benefits all.

Strengthening Evidence Based Decision-Making through Research

Decision-making that is informed by research is essential for effective governance, sound policy development, strategic planning, and efficient budgeting. We are pleased to report that in 2024, we hosted a highly successful research colloquium, featuring exciting and insightful presentations from young academics at the Central University of Technology (CUT) and the University of the Free State (UFS), as well as other established researchers.



In the current financial year, we are proud to continue this important initiative and will once again host the annual provincial research colloquium in partnership with CUT and UFS and other stakeholders. Speaker, in addition to the research colloquium, Provincial Treasury will publish the Socio-Economic Review and Outlook, the Municipal Economic Review and Outlook, and the Medium-Term Budget Policy Statement for the province, which we believe will assist our stakeholders in executing their respective works.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

The role of this programme is to provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems and procure transversal and cross-cutting goods and services.

Thirty (30) day payments

The financial capacity of our provincial departments and entities has experienced notable deterioration over the past two financial years. This decline is evidenced by the persistent challenges the Free State Provincial Departments and Entities face in meeting their obligations to pay suppliers within the prescribed 30-day period.

Accruals from previous financial years continue to rise annually. This has been further compounded by inadequate cash flow, which has, in turn, resulted in the inability of some departments and entities to honour payments owed to suppliers from prior financial years. These mounting obligations have exerted significant pressure on current departmental and entity budgets.

The Free State Provincial Treasury remains steadfast in its oversight role. We will continue to closely monitor the performance of all departments and public entities, particularly their compliance with the 30-day payment requirement. Furthermore, we are committed to providing the necessary support and guidance to help departments address and resolve the root causes of non-compliance.



Unethical behaviour

In response to unethical behaviour and alleged corrupt practices within our governance system, particularly instances where certain officials have reportedly demanded payments or so-called **"toll gates"** from suppliers, the Free State Provincial Treasury (FSPT) has, over the years, implemented robust grievance processes. These mechanisms enable suppliers and stakeholders to report unethical conduct and suspected corrupt activities within the provincial government framework.

This reporting system ensures that relevant accounting officers are empowered to investigate allegations, hold implicated individuals accountable, and enforce consequence management where necessary. Such measures reflect our continued commitment to promoting integrity, transparency, and ethical governance.

Verification of staff/ Head count

To address the persistent issue of "verification of staff," the Free State Provincial Treasury is mandated to manage and maintain the PERSAL system within the province. As part of this mandate, the Treasury provides technical support across all transversal systems and continues to build capacity within provincial departments to ensure these systems are used effectively and efficiently.

To help departments align their personnel compensation budgets with the actual staffing reflected on the PERSAL system, the Treasury has committed to assisting with the implementation of Head Count exercises. This strategy is a critical tool to ensure that personnel budgets correspond with verified staffing structures, enabling departments to plan and make decisions based on accurate and reliable workforce data.

Honourable Members, as highlighted during the tabling of the Provincial Budget Speech, the Provincial Treasury, and Office of the Premier in collaboration with



other departments, will spearhead a campaign under the theme: **“Where’s Who, Who’s Where?!”** This initiative aims to accurately verify the placement and existence of personnel across the provincial administration. Through this campaign, we intend to identify and significantly reduce the number of possible ghost employees within the system, thereby promoting efficiency, accountability, and the prudent use of public resources.

PROGRAMME 4: FINANCIAL GOVERNANCE

The role of the Financial Governance Programme is to promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

Accounting Services

Hon. Speaker, all provincial departments, public/trading entities and other funds submitted the required documents related to the Annual Financial Statements in terms of Sections 40 and 55 of the PFMA by the end of May 2024 to the Auditor General.

We are pleased to announce that, for the first time in 9 years, the provincial PFMA audit outcomes had no adverse or disclaimer audit opinion. Ten of the 13 Provincial departments that including the Legislature were able to obtain either a clean or unqualified audit opinion for the 2023/24 financial year. The audit outcomes for the 2023/24 financial year again showed a slight improvement with Provincial Treasury, Legislature and the Housing Fund obtaining unqualified with no findings (clean) audit opinions while two Departments namely Sport, Arts, Culture and Recreation, as well as Human Settlements improved from a qualified audit opinion to an unqualified with findings audit opinion. Free State Development Corporation also improved from an adverse to a qualified audit opinion.



Honourable Speaker, to enhance the quality of the Annual Financial Statements and consequently the quality of Consolidated Financial Statements in the 2023/24 financial year, the Provincial Treasury has embarked on a number of initiatives, which amongst other include the following:

- The quarterly interim financial statements of all departments and bi-annual financial statements of public entities, trading entities, the Housing Fund and the Legislature were assessed, and detailed assessment reports were provided to the Accounting Officers and CEOs with clear guidance on rectifications to be done;
- Monthly assessment letters are issued to Department heads and CEOs of entities on the Key Control Matrix (KCM), and monthly and quarterly combined reports are submitted to the MEC: Finance, Tourism, and Economic Development to forward to Executive Authorities for intervention, if required; and
- Assessment reports are also forwarded to Chief Audit Executives and Chairpersons of Audit Committees for their information and enhancement of their oversight role.

Hon. Speaker, it is imperative to bring to the attention of this august House that the province has recorded significant progress in curbing unwanted expenditure between the 2022/23 and 2023/24 financial years. This marks a commendable milestone of which we, as a province, can be proud. However, we remain mindful that more effort is required to sustain and build on this progress. Departments and entities should still do more to curb it and finalise accumulated outstanding investigations.



Provincial Risk Management and Internal Audit

At the heart of building a capable and developmental state lies the Provincial Treasury's unwavering commitment to capacity building and oversight. To strengthen the internal audit function across the Free State Government, the Provincial Treasury coordinated targeted training programmes for Internal Auditors within departments, public entities, and municipalities. These programmes included capacity-building for implementing the Global Internal Auditing Standards, ensuring alignment with international best practices. Additionally, specialised training on the Auditing of Performance Information was provided to enhance the quality and reliability of performance data reported by departments and entities. This forms part of our broader strategy to improve compliance, transparency, and performance accountability within the public sector.

The Provincial Treasury's footprint in driving accountability is further evident through a range of initiatives to promote ethical governance and strengthen fraud prevention systems. These include:

- Enforcing fraud and ethics risk assessments;
- Providing education and awareness campaigns on fraud and corruption; and
- Leveraging our corporate memberships with the Association of Certified Fraud Examiners South Africa (ACFE-SA) and the Institute of Risk Management South Africa (IRM-SA) to expose public servants to Fasset Lifelong Learning programmes on enterprise risk management and anti-fraud strategies.

In line with the national vision for professionalising the public sector, the Provincial Treasury will continue collaborating with professional bodies to build skills and foster excellence within public service. A notable milestone in this regard is the establishment of the Free State–Northern Cape IRM-SA Subcommittee, which serves as a platform to support and professionalise Risk Management Practitioners



in both provinces. This initiative is instrumental in facilitating the path toward achieving Certified Risk Practitioner status-enhancing the capacity of government institutions to manage risk effectively and proactively.

PROGRAMME 5: MUNICIPAL FINANCE MANAGEMENT

This programme's role is to promote and improve financial governance and management at the local government level.

Financial Health of Municipalities

Hon. Members, we align ourselves with the call by President Cyril Ramaphosa during the State of the Nation Address to review the Local Government White Paper to modernise and strengthen the local government sphere. The Provincial Treasury has observed a concerning decline in the financial management capacity within our municipalities, which threatens the delivery of basic services. To respond to these challenges, an amount of **R78.4 million** is allocated to this programme as part of a recalibrated strategy to support municipalities in distress. Our support will focus on critical areas including:

- Timely submission of quality Annual Financial Statements (AFS);
- Addressing revenue challenges and unfunded budgets; and
- Curbing unauthorised, irregular, fruitless and wasteful expenditure (UIFWE).

To demonstrate our quest to turn around our financial health, the following municipalities are targeted for improvement in audit outcomes:

- Clean Audits (Unqualified with no findings): Lejweleputswa and Thabo Mofutsanyana Districts; Tswelopele and Setsoto Local Municipalities; and
- For municipalities with disclaimers, we are intensifying efforts to move them toward qualified audit outcomes at least.



Hon. Speaker, to achieve the above, we urge all municipalities to submit their draft financial statements and audit files to the Provincial Treasury for review and assessment by 16 August 2025.

The Provincial Treasury will also be sourcing additional specialised support to assist with:

- The preparation of high-quality AFS;
- Enhancing revenue systems; and
- Reducing UIFWE.

Funded budgets, Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Hon. Members, a major concern is most of our municipalities' continued tabling of unfunded budgets, largely due to unsustainable revenue bases. To address this, a dedicated Municipal Revenue Team will provide targeted support to ten (10) municipalities. We aim to increase the number of municipalities with funded budgets from seven (7) to at least ten (10) over the next MTREF period.

On the issue of UIFWE, we will prioritise ten (10) municipalities with the highest levels of such expenditure. Specialised support will be directed to **Matjhabeng** and **Maluti-a-Phofung** Local Municipalities.

To enforce accountability, my office will hold monthly engagements with Mayors in collaboration with the MEC for CoGTA. These meetings will track progress in key areas including:

- Adoption of funded budgets;
- Timely AFS submission;
- Reduction of UIFWE; and
- Billing and revenue collection improvement.



We remain steadfast in our commitment to resolving the persistent challenges faced by our municipalities. These challenges include, among others, poor revenue collection, unfunded budgets, irregular, fruitless, and wasteful expenditure (UIFW), as well as late submission of quality annual financial statements and audit outcomes.

Honourable Members, we draw strength and inspiration from the words of the former President of the ANC and the Country, Mr Thabo Mbeki, who once said: *“Those who complete the course will do so only because they do not, as fatigue sets in, convince themselves that the road ahead is still too long, the inclines too steep, the loneliness impossible to bear and the prize itself of doubtful value.”*

Strengthening Oversight and Governance

Honourable Speaker, improving governance requires that all stakeholders play their roles effectively. To this end, monthly joint meetings between my office and the MEC for CoGTA will be convened with Mayors to monitor Funded budgets, AFS submission, UIFWE reduction, and billing and revenue collection improvements.

Honourable Members, I wish to stress that all municipal leaders—mayors, MPAC Chairpersons, MMCs for Finance, and Audit Committee Chairs—must ensure that monthly progress reports are tabled and discussed in Council. These reports should track AFS preparation, UIFWE reduction, and billing improvements.

Hon. Members strengthening the capacity of the Provincial Treasury remains a central priority as we continue to enhance financial governance and support across municipalities in the Free State. In this regard, we wish to highlight a significant step we are taking to restore institutional stability and drive impactful change within the Municipal Finance Management Unit.

For some time now, the Unit has been without a Chief Director, a vacancy that has impacted the overall leadership and coordination of municipal financial oversight



efforts. The Provincial Treasury will be prioritising the appointment of a qualified, capable and experienced personnel to lead this critical programme. This appointment is not just about filling a position—it is about injecting stability, vision, and technical expertise into a unit that plays a pivotal role in promoting sound financial management at the local level.

Call to action for municipal leadership

Municipalities must also implement and enforce credit control policies and by-laws while phasing in cost-reflective tariffs over the next 3–5 years. At the same time, we must address inefficiencies in significant cost drivers such as employee-related costs and contracted services. These issues contribute to unaffordable tariffs and poor service delivery. The absence of performance management in some municipalities is also of great concern and must be urgently addressed.

Intervention in Mangaung Metropolitan Municipality

Hon. Members, improving audit outcomes in municipalities across the province remains a cornerstone in our ongoing pursuit of sound financial governance, strengthened accountability, and improved service delivery. In this regard, the Provincial Treasury—working in close collaboration with the Office of the Premier and the Department of Cooperative Governance and Traditional Affairs (COGTA)—continues to play a vital role in supporting municipalities in enhancing their financial management systems and institutional oversight.

This coordinated effort ensures that municipalities are better positioned to meet audit standards, enforce financial controls, and adopt governance practices that are both sustainable and compliant with applicable legislation.

In line with this objective, the Honourable Premier has proactively engaged with the Mangaung Metropolitan Municipality—despite its status as a non-delegated municipality—in a concerted effort to improve its audit outcomes. This engagement,



held in collaboration with the Auditor-General of South Africa (AGSA), served as a platform for the AGSA to provide comprehensive feedback on the Metro's audit performance and highlight specific corrective actions that must be undertaken to address the identified shortcomings.

Furthermore, the engagement provided an opportunity to review the progress made in implementing the Financial Recovery Plan (FRP), which remains a critical intervention to restore financial stability and operational effectiveness within the Metro.

Honourable Members, this engagement reflects the provincial government's unwavering commitment to improving audit outcomes—particularly within the Mangaung Metro, which continues to play a central role in our broader governance framework.

Together, we can turn around the state of local government and ensure efficient, accountable, and transparent financial management that delivers services and restores hope to the people of the Free State.

CONCLUSION

Hon. Speaker, as I conclude this address, I wish to express my deepest appreciation to our Hon. Premier, MaQueen Mathae-Letsoha, for her exemplary leadership and strategic foresight. Her guidance continues to shape the trajectory of our province and inspire confidence in our path.

To my colleagues at the Executive Council, thank you for your unwavering support.

I also extend my sincere gratitude to the Head of the Provincial Treasury and the entire team for their exceptional work in preparing this vote speech. Their diligence and steadfast commitment to prudent financial management are truly commendable.



DEPARTMENTAL BUDGET VOTES 2025



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To my family, I offer my heartfelt thanks for your unwavering support and understanding. Your encouragement remains a pillar of strength in fulfilling my responsibilities.

I would also like to extend my sincere appreciation to the people of South Africa, and particularly the resilient citizens of the Free State. Your patience, perseverance, and continued support amid the prevailing challenges are deeply appreciated and do not go unnoticed.

Let us move forward together united in purpose, driven by determination, and guided by a shared commitment to building a better, more prosperous Free State.

Hon Speaker, before I close, I would like to quote the former President of the ANC and the Country, Mr. Thabo Mbeki, I quote— *“Gloom and despondency have never defeated adversity. Trying times need courage and resilience. Our strength as a people is not tested during the best of times”*.

Hon. Speaker, I hereby table the 2025/26 Departmental Budget Vote for the Provincial Treasury.

I THANK YOU