



PREMIER PORTFOLIO COMMITTEE 2022/23 BUDGET REPORT

Committee Details	
NAME OF COMMITTEE	PREMIER
TABLING DATE	05 MAY 2022
ACTING CHAIRPERSON	HON. MPP ZUNGU



PREMIER PORTFOLIO COMMITTEE REPORT 2022/23

INTRODUCTION

Honourable Chairperson, the Honourable Premier and his Executive Council and esteemed Members of this August House, it is a privilege for me to table the Committee report on the Office of the Premier's Budget, which briefly outlines the deliberations on the 2022/23 APP and budget of the Office of the Premier. It is a welcome opportunity for us in the Premier Portfolio Committee to participate in the debate of the Office of the Premier's budget policy statement presented to this House today by the Hon Premier. The areas covered in the report by the Honourable Premier are the ones in which the Committee has keen interest.

The Committee met with the Office of the Premier in several meetings from the first draft to the final draft APP and budget. The meeting to consider the final draft 2022/23 Annual Performance Plan (APP) and budget was held on 15 March 2022, for the Portfolio Committee on Premier to get succinct understanding on these two documents. The Committee noted and satisfied itself that indeed the department has considered and aligned its 2022/23 APP to the 2030 National Development Plan (NDP), 2019-2024 Medium Term Strategic Framework (MTSF), 2024-2025 KwaZulu-Natal Provincial Growth and Development Plan (PGDP) and the 7 priorities of the 6th Administration as outlined also in the MTSF document.

Once again, in the current 2022/23 budget year under tabling, the Portfolio Committee has noted with keen interest the outcomes of the department that have remained unchanged as follows:

- Outcome 1: Improved governance and accountability.
- Outcome 2: Improved co-ordination, integration, and efficiency in government.
- Outcome 3: Inclusive stakeholder engagement and improved partnerships.
- Outcome 4: Professional and ethical provincial administration

2022/23 BUDGET OVERVIEW

The Committee has noted that the Office of the Premier's budget is anticipated to decrease from a 2021/22 Main Appropriated amount of R802, 240 million to a budgeted amount of R767, 551 million for the 2022/23 MTEF. The Committee has observed that the decrease in the department's budget from 2021/22 Main Appropriation to 2022/23 MTEF is influenced by the non-allocation of the R50 million in the 2022/23 MTEF. The R50 million allocation is in respect of the KZN Youth Empowerment Fund, which was established in 2018/19 to support and fund youth businesses. This is a very important programme of the department and is close to the heart of the Portfolio Committee on Premier. The Committee learned during the meeting that the department was yet to utilize the R50 million for this programme, which was allocated in the 2021/22 Financial Year. The Committee expressed a concern that this money had, at the time of the budget consideration meeting, not yet been utilized. However, the Committee was given reasons for the delay by the department, which included the large volume of applications (being more than 4 000 applications) that had been received, which needed to be processed by the department. The Committee was also taken into confidence that the non-allocation towards the Youth Empowerment Fund in the 2022/23 MTEF, is in no way signaling that the programme is now defunct. This, especially after the Honourable Premier made pronouncement in His State of the Province Address this year on 24th February 2022, that this programme will continue, with an amount of R100 million in 2022/23 Financial Year. The department informed the Committee that this programme will receive its allocation when the 2022/23 Adjustments Budget gets tabled by the Provincial Treasury around mid-year.

The Committee is pleased that the Office of the Premier (OTP) is in the process of strengthening the functionality of Operation Sukuma Sakhe (OSS) structures, and to further reinvigorate its campaigns in ensuring effective functioning of structures and participation of departments, especially in municipalities. The Committee remains committed to giving full support to the Office of the Premier in ensuring that it fulfils its primary mandate as stipulated in their Annual Performance Plan. To this end, the Committee welcomes the amount of R2 million allocation for the District Champion of OSS/DDM responsibilities. It has always been a concern for the Committee that War Rooms were not receiving any financial support.

We therefore appreciate this specifically and exclusively appropriated funding, as little as it is, but it is something considering the financial situation in the country.

The committee will be playing financial and non-financial oversight role over the final allocation of R767, 551 million as follows:

- Programme 1: Administration: to a budgeted amount of R193, 426 million, which the department has indicated will cater for social cohesion and moral regeneration programme events, and effective management and administration of the department, amongst others. Moreover, it caters for the filling of four (4) critical vacant posts in 2022/23 Financial Year.
- Programme 2: Institutional Development: to a budgeted amount of R398, 490 million, which the department has indicated will cater for shifting of forensic investigation services function from Vote 6: Provincial Treasury; accompanied by the centralization of the ICT function to this programme, amongst others. Moreover, it caters for the filling of eight (8) critical vacant posts in 2022/23 Financial Year.
- Programme 3: Policy and Governance: to a budgeted amount of R175, 635 million, which the department has indicated will cater for management of strategic projects, transfer to Zulu Royal Household Trust (ZRHT) to an amount of R24, 888 million, for the provision of administration, maintenance and management of the assets of the ZRHT, including the Royal palaces and farms (in terms of KZN ZRHT Act of 2018), amongst others. Moreover, it caters for the filling of six (6) critical vacant posts in 2022/23 Financial Year.

Honorable Chairperson, in playing its financial and non-financial oversight over the above allocated budget of R767, 551 million for the 2022/23 MTEF, the Committee wishes to bring to the attention of this House budget sitting that this Committee in its tenure continues to desire to assist the Office of the Premier to be a leading example to other departments in achieving clean audit outcomes. This will be through the Committee focusing vigorously on how the department spends its voted funds throughout the 2022/23 MTEF. The Committee has emphasised once again that it will not accept any underspending and overspending by the Department.

Also, as part of its oversight role, the Committee will also closely track the progress on the implementation of the Finance and SCOPA resolutions during the year. This will be through the utilisation of the resolution tracking mechanism as per the Sector Oversight Model (SOM) on a monthly and quarterly basis. The tracking of resolutions will be done with the intention of ensuring that robust oversight is performed by the Committee over the financial resources and service delivery performance of the department, which is conducted by the Office of Premier through its provision of strategic leadership and coordinating function of the Provincial Administration. The Committee understands very well that the Office of the Premier is mainly responsible for leading and coordinating all National and Provincial Priorities applicable to the Province.

OBSERVATIONS/ FINDINGS BY THE COMMITTEE

During the engagements with the Office of the Premier, the Committee wishes to highlight the following areas of concern that arose:

- The Committee has noted that the Zulu Royal Household Trust has a fundraising programme within its activities. The Committee has always raised a concern that little was being done by the Trust to accelerate revenue-generation strategy within the fund-raising programme.

The Committee was informed that more effort is being made to intensify the revenue-generating strategy to assist the Trust so that it will be able to fulfil one of its functions for which it was established. The Committee will further monitor the strategy once it has commenced, as it was discussed during the budget hearing.

As mentioned above, the Committee met to consider the Budget, and all the Members of the Committee and all the Parties supported the 2022/23 Budget as tabled, with emphasis that Youth Empowerment Fund receive its allocation midyear during the 2022/23 budget adjustments tabling.

Hon Chairperson, before I conclude, let me state that at all material times, the Committee will not tolerate fraud and corruption. To this end, the Committee wishes to express its appreciation to the Premier who from time to time briefs the Committee about the arrests of OTP officials who were alleged to have been involved in fraud and

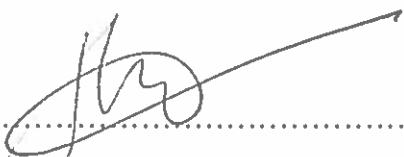
corruption. The Committee further appreciates the constant briefing by the Premier on the issues and developments relating to the Royal Household.

CONCLUSION

In conclusion, I take this opportunity to thank the Premier, Hon Sihle Zikalala, who all the time prioritizes meetings of the Portfolio Committee. I also wish to thank all Members of the Portfolio Committee for the due diligence exercised in carrying out the work of the Committee. Our appreciation also extends to the Director-General, Dr N. Mkhize and her senior management of the Office of the Premier for their good working relationship and support.

My special gratitude goes to the Committee support staff for the sterling work they do in ensuring that the Committee receives optimal support at all material times. They make it easy for the Members to perform their oversight function without any disturbances.

I thank you.


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HON-MPP ZUNGU

ACTING CHAIRPERSON: PREMIER PORTFOLIO COMMITTEE

04 MAY 2022
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DATE