

OVERVIEW BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MRS YN PHOSA, MPL DURING THE DELIBERATIONS ON THE 2012-2013 ANNUAL REPORTS OF THE DEPARTMENT AND ITS PUBLIC ENTITIES AT THE PROVINCIAL LEGISLATURE IN MBOMBELA, EHLANZENI DISTRICT MUNICIPALITY.

Thursday, 24 October 2013

Chairperson of the Portfolio Committee, Honourable Member Refiloe Mahlobogoane;
and Honourable Members of the Portfolio Committee;

Thank you very much for the opportunity to present an Overview of the Annual Reports of the Department and its Public Entities, namely, *MEGA, MTPA and MGB*.

As a Department, assisted by our three (3) implementing agents in the form of Public Entities reporting to us, we are responsible to implement ***Outcome 4*** which refers to ***Employment through Inclusive Growth*** and ***Outcome 10*** which refers to ***Environmental Assets And Natural Resources That Are Well Protected And Continually Enhanced***. However our work also contributes towards achieving outputs of other outcomes such as outcomes 5, 6 and 7.

As indicated to the august House when we presented our *Policy and Budget Speech* on 22 May 2012, our focus as the mother Department was on Strategy Formulation and Management; Research and Policy Development; Co-ordination of Policies, Monitoring and Evaluation of the Provincial Economic Trajectory, while the three (3) Departmental Public Entities in collaboration with Development Finance Institutions, focused on implementing programmes and projects in line with our mandate.

Therefore in line with our *Mission* of driving economic growth that creates decent employment and promote sustainable development through partnerships, the Department continued to carry out its mandates in collaboration with the three (3) Public Entities reporting to it. We have implemented our collective Annual Performance Plans (APPs) which covers our mandate on driving the provincial economy, environmental sustainability, and tourism growth and development. This we performed despite resource constraints, which in many ways necessitated that we must amend our initial APPs in order to allocate the limited financial resources to activities/strategies which were critical in the financial year under review.

The implication was that a number of planned activities had to be aborted owing to the financial constraints. It is worth mentioning that our success is also attributed to our strategic partners, that is, the private sector and the national government public entities that are operating in the province.

It should further be stressed that we have vast and complex mandate given that we perform mandates of five (5) national Departments as one Department, namely, **(1) National Planning Commission; (2) Economic Development; (3) Trade and Industry; (4) Environmental Affairs; and (4) Tourism.** In addition we are responsible for the three (3) Public Entities alluded to earlier, and will soon establish the fourth one, in the form of the Mpumalanga Liquor Authority.

Honourable Members;

Therefore our collective work, during the period under review, was guided by the approved collective Annual Performance Plans (APP) which were geared towards driving the economic and tourism growth and development, environmental management as well as planning initiatives in the province.

This we did in pursuance of our government's efforts of creating decent work and sustainable livelihoods for our people.

We continued our work in leading the implementation of the Programme of Action of the Mpumalanga Economic Growth and Development Path (*MEGDP*), which resulted in the Province signing a number of Memoranda of Understanding with the private sector focusing on five (5) key areas of co-operation, namely, Human Capital Development, Enterprise Development, Infrastructure, Sustainable Development and Environmental Management and Research and Development.

In this regard, the Department has embarked on a drive to form clusters in various sectors which will assist in strengthening the private and public sectors with the aim of creating jobs. To this end, the Executive Council has approved five (5) high impact projects to be implemented by various Departments in the 2013-2014 financial year. These high impact projects will be implemented in collaboration with the private sector, including the funding development institutions operating in the Province.

Our planning has started to impact on the way we spend, and this gives me confidence that with some more hard work, commitment and proper monitoring and evaluation systems, things are falling into place. I have noted how our internal controls are starting to shape up. This relates to improvement of governance issues. In this regard, the Department has established the Risk Management Committee which is functioning very well. We have compiled the Risk Register which we continued to monitor during the reporting period. All this happened mainly due to the greater awareness and collaboration among the Departmental Auditing team, the Auditor General, our external Audit Committee and our officials.

The Department continues to diligently oversee the performance of the three (3) Public Entities reporting to the Department. All the three (3) Public Entities have now stabilised in terms of leadership, financial and performance management, and good governance with the appointment of credible Board Members and CEOs.

We have signed Shareholders Compacts with the Boards *MEGA* and *MTPA*, and these agreements regulate daily interaction of the Department with the entities. They also clearly define the communication lines and the levels at which various matters are to be handled and addressed. The MGB Board is managed through the Board Charter which is signed annually by all members.

Audit outcomes

We are proud that the Department has received an unqualified audit opinion, and believe that we can still improve, and eventually receive a clean audit outcome.

The *MGB* continues to be our shining star by receiving clean audits over the last few years, and they have also done so for the period under review.

The *MTPA* has received an unqualified audit opinion whereas *MEGA* unfortunately received a qualified opinion. However there is hope with *MEGA* given that it moved from a disclaimer to a qualification, and thus believe that this was a welcomed improvement. We acknowledge that much work still needs to be done in this area of our work, in order to ensure that the Department and the other two (2) agencies (*MEGA* and *MTPA*) attain clean audit outcomes without fail.

As I close, our success would have not been possible without the valuable guidance of this Portfolio Committee under the chairpersonship of Honourable Member Refiloe Mahlobogoane. You in fact kept us on our toes, hence we celebrate one step in the right direction, that is, the outcome of an unqualified audit opinion for the Department. The Committee continued to play a meaningful and effective oversight role in making sure that the Department accounts properly for its financial and performance management to the people of Mpumalanga. This is solely for the betterment of the lives of our people, who we remain their shelter of hope.