



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

2026/27

Vote 5 Budget



VOTE 5 BUDGET SPEECH (2026/27) TABLED BY THE MEC FOR FINANCE MR
KGABO MAHOAI, AT THE LIMPOPO LEGISLATURE ON 05 MAY 2026

Speaker of our Provincial Legislature, Hon DR Makoma Makhurupetje

Deputy Speaker of the Legislature, Honourable Tebogo Mamorobela

Premier of our Province, Hon Dr Phophi Ramathuba;

My fellow Honourable Members of the Executive Council;

Honourable Members of the Provincial Legislature;

The Director-General of the Province and All Heads of Departments;

Leaders of Organised Labour, Faith Based and Civil Society Organisations present;

Captains and leaders of various Industries;

Ladies and gentlemen;

Good morning

Honourable Speaker, Honourable Members

1. Today, I table a budget vote that is, in figures, the least among all votes. Yet its scope and effect are far greater than its numeric size. It is this budget vote that helps us safeguard the integrity of every allocation in our provincial departments, entities and municipalities. It ensures that public funds are accounted for and managed with care and diligence.
2. As Provincial Treasury, we do not only enforce fiscal discipline, we embody it. We set the standard by which the entire provincial administration must measure itself. With limited resources, we demonstrate that efficiency,

effectiveness, accountability and value for money are not ideals, but daily practice. We show, through our own conduct, that “*doing more with less*” is not just a mere slogan, but a responsibility to ensuring that what we share as a province is used wisely, fairly and with measurable impact to our people.

3. Against that background Honourable Speaker, Provincial Treasury remains firmly committed to ensuring that every rand we spend translates into improved service to the people of Limpopo. Through the ongoing implementation of budget reforms, we are deliberately shifting our focus from consumption towards investment, because it is investment that builds clinics, improves schools facilities, constructs and maintains roads as well as ultimately changing the lives of the people.
4. When preparing the 2026 Medium-Term Expenditure Framework, Limpopo Provincial Treasury led a rigorous application of the Programme Assessment Matrix (PAM). This process is a deliberate effort to ensure that public funds are aligned with tangible outputs and impactful outcomes. Through this work, we were able to identify provincial savings amounting to **R1.5 billion** over the 2026 MTEF, which were duly reprioritised towards investment spending that will directly support service delivery across the board.

Curbing Provincial spending on Compensation of Employees

5. Honourable Speaker, Provincial Treasury continues to play a critical role in managing, among others, the wage bill of the provincial government to ensure a balanced approach towards the funding of frontline service delivery personnel and provincial priorities, which are essential to grow the economy and create jobs. To achieve this balance, the province has been implementing the Provincial Personnel Management Framework (PPMF) as a strategy to manage Compensation of Employees costs. It is worth noting that the national fiscal consolidation efforts have necessitated a

rebalancing of our budget allocation, resulting in the need to contain employee costs.

6. These reforms are beginning to yield results. We have reduced the provincial proportion of the budget allocated to Compensation of Employees to 65.2 per cent in 2026/27, down from 66.2 per cent in the previous financial year. While this may appear as a technical adjustment, it represents a significant shift, bringing us closer to the national benchmark of 62.6 per cent for 2026/27 financial year and freeing up resources for infrastructure development, service delivery programmes and developmental priorities.
7. Most importantly, for the first time in recent years, Limpopo is no longer the highest in terms of compensation of employees spending as a share of the overall budget. We are now ranked eighth (08) among provinces, below the Eastern Cape and closely aligned with the next category of provinces such as the Free State and KwaZulu-Natal. This is a critical milestone. It signals that we are successfully redirecting resources away from administrative consumption and towards investments that directly benefit our communities.

Spending Reviews

8. Honourable Speaker, as Provincial Treasury, we initiated spending review processes from the 2024/25 financial year and will continue to implement such even in the current financial year. Given the tight fiscal environment characterised by increasing demand for services, spending reviews are assisting in identifying inefficiencies, reducing waste, eliminating duplication of functions and closing fiscal leakages. The efficiency gains identified through this process are reprioritised towards high-priority projects.

9. To strengthen this work, we have allocated **R2.5 million** towards spending reviews, in collaboration with Government Technical Advisory Centre (GTAC) and provincial departments. These reviews will deepen our understanding of how funds are utilised and ensure that we continuously improve efficiency, effectiveness and impact.
10. The message is clear: we are building a fiscus that prioritises service delivery, supports economic growth and responds to the needs of our people. Every reform we implement, every saving we identify and every rand we reprioritise brings us closer to a capable, responsive and a developmental state.

Provincial Budget Planning, Monitoring and Reporting

11. Honourable Speaker, the Provincial Treasury will continue to provide support on budget planning through various mechanisms. This support includes budget guideline workshops, Medium Term Expenditure Committee hearings, as well as rigorous monitoring of budget implementation to ensure that funds are used as intended.
12. To ensure effective financial stewardship, we will continue to conduct monthly monitoring of performance through in-year monitoring reports and expenditure analysis reports, providing recommendations for improvement. These reports will be presented at various forums, including the CFOs Forum, HODs Forum and Provincial Executive Council. Furthermore, regular MECs bilateral meetings will be held to assess the financial performance of departments and public entities, augmented by technical meetings.
13. Provincial Treasury will continue to have quarterly conditional grants and priority funding monitoring session to ensure that departments and Public Entities deliver on those specific deliverables to our people.

Support to Municipalities

14. For local government, our priority remains the reduction of unauthorised, irregular, fruitless and wasteful expenditure, the improvement of audit outcomes and the strengthening of sound financial management and governance. Sustainability of municipalities is central to this effort, as the funding of municipal budgets is critical to ensuring financial sustainability and the continued delivery of services.
15. We are committed to supporting municipalities to ensure that budgets are properly funded and where this is not possible, funding plans will be prepared. However, these funding plans are short term in nature and will be phased out in the coming year.
16. We will continue working with municipalities to reduce unauthorised, irregular, fruitless and wasteful expenditure within municipal budgets, while also prioritising support to address outstanding debt. Compliance with mSCOA regulations remains critical to ensuring credible and consistent financial reporting. In this regard, we remain committed to supporting municipalities to achieve full compliance.
17. Honourable speaker, we are currently assisting municipalities to improve audit outcomes, with particular attention given to elimination of recurring audit findings and the emerging risks. Our plan is to increase the number of municipalities with clean audits in the next audit cycle. This is one way to regain and rebuild public confidence in local government administration.

Infrastructure

18. The Limpopo Provincial Treasury remains committed to strengthen governance, improve compliance and enhance the quality and pace of infrastructure delivery across Limpopo Province.

19. Honourable Speaker, to improve oversight and accountability, the Limpopo Provincial Treasury will intensify the monitoring of infrastructure performance through quarterly reviews of Table B5 reports as attached on the budget books, especially on institutions such as Roads Agency Limpopo, supported by monthly performance tracking. In addition, focused site engagements will be conducted on priority infrastructure projects, particularly those identified in the State of the Province Address and Departmental Budget Votes as well as some of the identified projects in municipalities. These efforts will be enhanced and supported through attendance of monthly Departmental Infrastructure Coordinating Committee meetings and bi-weekly engineering sessions including active participation in project site meetings, where progress and implementation challenges will be addressed.
20. Forward planning remains critical to sustainable infrastructure delivery in both provincial departments and municipalities. Therefore, the provincial infrastructure strategic planning sessions will be revived to enhance key planning instruments such as the Roads Asset Management Plan, User Asset Management Plan and Infrastructure Programme Management Plan. Furthermore, the infrastructure planning will be brought forward, aligned to the Medium-Term Expenditure Committee processes, to ensure credible and implementation-ready project pipelines going forward. Provincial Treasury will also strengthen support for forward planning at municipal level through collaboration with the Department of Cooperative Governance, Human Settlements and Traditional Affairs. This will include the provision of guidelines aligned to the Municipal Infrastructure Grant framework, aimed at improving project readiness and budget utilisation.
21. A key concern remains contract management practices within municipalities, where the use of lapsed contracts continues to expose institutions to irregular expenditure and non-compliance with the Municipal Finance Management Act. To address this, the LPT will develop Contract Management Guidelines aligned to the MFMA and General Conditions of

Contract and support municipalities in the use of contract tracking tools during Municipal Infrastructure Grant monthly meetings to ensure compliance with valid contractual frameworks.

22. The rollout of the Local Government Framework for Infrastructure Delivery and Procurement Management will be accelerated through the Infrastructure Support Programme, in partnership with the Government Technical Advisory Centre and National Treasury, to support municipalities in aligning their Supply Chain Management processes to prescribed standards.

23. These interventions will improve compliance, reduce irregular expenditure and enhance infrastructure delivery across the province.

Overall Budget of the Department

24. The Limpopo Provincial Treasury (Vote 5) has been allocated a budget of R557.930 million for the financial year 2026/27, which is an increase of 8 percent when compared to the main appropriation of R512.897 in the previous financial year.

25. The key focus in the current financial year remains to strengthen the Department to improve its strategies to support and monitor financial management in the provincial departments, municipalities and public entities. This is meant to ensure that we improve compliance to the PFMA, MFMA and other policies and legislation in order to rebuild public trust.

Budget per Programme

26. Our department budget programme structure is composed of five (5) programmes that operate as branches of the department and their allocations are outlined as follows:

Programme 1: Administration

27. Administration is allocated R241.761 million to provide effective and efficient strategic management, administrative support and sound financial management to the Provincial Treasury.

28. Honourable Speaker, through this Programme the department will be appointing 30 Interns for 24 months and Experiential Learners during 2026/27 financial year, the stipend for experiential learners is paid by respective SETAs. These Interns and Experiential Learners will attend in-house capacity building programmes in advanced excel, report writing and digital skills.

Programme 2: Sustainable Resources Management

29. Sustainable Resources Management, simply the Budget Office is allocated R101.550 million. These funds will be used to fund financial resource allocation, manage the provincial budget. It will further fund for supporting and monitoring of provincial departments, municipalities and public entities for efficient and effective use of the province's fiscal resources.

30. An amount of R12.885 million is ring fenced to strengthen the Provincial Treasury's capacity to support our municipalities with focused support and intervention projects. While an amount of R7.5 million is also ring fenced to strengthen Provincial Treasury's infrastructure support to our institutions and to improve infrastructure capacity building programmes as well as spending reviews in the province.

Programme 3: Assets, Liabilities and Supply Chain Management (ALSCM)

31. Honourable Speaker, (ALSCM), which is the Procurement Office, receives an allocation of R61.890 million. This allocation will be utilised to provide policy direction and facilitate the effective and efficient management of

assets, liabilities and provincial supply chain management processes in all our departments and public entities.

32. As we all should know, supply chain management remains one of the important instruments which is used to transform the provincial economic patterns by encouraging departments and public entities to ensure that they prioritise and support procurement from local SMMEs. It also encourages participation by historically disadvantaged individuals and groups in the provincial supply chain opportunities.
33. Provincial Treasury has also embarked on an enhanced evaluation and monitoring plan to improve adherence to procurement plans by departments in order to aid in budget and contract management.
34. The Provincial Treasury, with the support of the National Treasury, has rolled out the Request for Quotations Procurement system to all institutions. In 2025/26, it was piloted with Head Offices only; from 1st April 2026, all institutions will be on board, including districts and hospitals, for all procurement within the Quotations threshold. This automation of Supply Chain Management processes will assist in reducing non-compliance by organs of state with SCM prescripts. The use of this system will broaden the participation of local suppliers who are already in the CSD system in government procurement. The Department is running hybrid workshops to capacitate the province's supply base so they can participate competitively in government procurement. The department will also be supporting and monitoring institutions on the implementation of this initiative.
35. In anticipation of the publication of the Public Procurement Act (PPA), Regulations by the Minister of Finance, the budget will be used to roll out the PPA Regulations to organs of state as well as to the supply base thereof.

Programme 4: Financial Governance

36. Honourable Speaker, Financial Governance has been allocated an amount of R83.982 million to decisively strengthen oversight, accountability and ethical governance across the Provincial Government. These resources will reinforce Shared Audit Committees, Transversal Risk Management Committees, Forensic Investigations and the maintenance of critical Transversal Government Systems, in ensuring that every rand is accounted for and protected.
37. Honourable Members, we present an honest account of our progress in strengthening governance, improving financial management and advancing accountability in the Limpopo Provincial Government. In the current audit cycle, five departments and one public entity achieved clean audit outcomes. This confirms that clean governance is not an aspiration, but an achievable standard when leadership is firm and controls are effective. Several departments received unqualified opinions with findings, we expect them to move to unqualified opinions with no finding because findings show weaknesses in compliance, internal controls and consequence management. These shortcomings should not persist.
38. However, Public entities remain an area of concern. With the exception of one clean audit, audit outcomes reflect ongoing governance and compliance failures. I must emphasise that entities that are central to service delivery and economic development like LEDA, RAL and GAAL must meet the same standards we demand of departments. There should be no tolerance for poor controls, weak supply chain management or repeating irregularities.
39. We are equally proud that Limpopo continues to lead the country in paying suppliers within 30 days, a deliberate intervention to support SMMEs, protect jobs and grow the provincial economy.

40. Honourable Speaker, going forward, our direction is clear and uncompromising. Through the Clean Audit Improvement Strategy, we have set ourselves a firm target to increase clean audits to eleven (11), eight (8) for departments and three (3) for public entities in the next audit cycle. We will achieve this by engendering a culture of prudent financial management and supporting the enforcement of consequence management without fear or favour, strengthening leadership accountability, implementing audit action plans without delay and reducing irregular, fruitless and wasteful expenditure. These actions are about restoring public confidence, safeguarding public resources and ensuring that clean administration becomes the norm not the exception in our Provincial Government.

Programme 5: Shared Provincial Internal Audit

41. Honourable Speaker, Shared Provincial Internal Audit Services receives an allocation of R60.088 million. This Unit protects organisational value of the province by providing risk-based objective assurance, advice and insight. It also coordinates a Combined Assurance Model to achieve broader audit coverage and collaboration with Auditor General of South Africa, assurance providers within Provincial Departments, as well as Transversal functions within Provincial Treasury and Office of the Premier.

42. During the 2025/26 financial year, 13 (thirteen) learners continued to participate in the Internal Audit Technician (IAT) learning programme, facilitated by the Institute Internal Auditors. These learners, after completing this programme, will be ready for the job market. Equally, the Unit has also produced thirteen (13) Chartered Accountants certified by SAICA through the CA Training Programme. Five (5) of these Trainees were signed as qualified CA's during the 2025/26 financial year with four (4) of them absorbed into provincial departments and entities. The department is still working with the Department of Public Service and

Administration and National Treasury on a definitive retention strategy for these programmes.

43. In conclusion, Honourable Speaker, the journey towards clean governance is not yet complete, but we are on the right direction. We are building a capable, proactive and responsive, ethical and accountable state that delivers services for the people of Limpopo. Clean governance is not negotiable, but it is a commitment we make to our citizens.

44. Lastly, I wish to extend my sincere appreciation to the dedicated staff of the Limpopo Provincial Treasury, led by HOD, Mr Gavin Pratt. Your professionalism, diligence and consistent leadership continue to anchor the financial management of our province. Your work does not go unnoticed and it remains central to the progress we seek to achieve.

Na khensa, Ke leboga, ndo livhuwa, Thank you, Baie Dankie

Our Contacts



Call :015 298 7000



Fax: 015 295 7010



Email:info@limtreasury.gov.za

Postal Address



Private Bag X 9486

Polokwane

0700

Physical Address



Ismini Towers

46 Hans Van Rensburg

Polokwane

0700



www.limtreasury.gov.za

"We are the best in what we do"