

Limpopo stable but more needs to be done - Gordhan

By [Dennis Cruwagen](#)

22 Nov 2012

CAPE TOWN: While inroads have been made in addressing some of the challenges facing the administration in Limpopo, more work still needs to be done to rectify the situation, says Finance Minister Pravin Gordhan.



Gordhan on Wednesday led a team of five ministers and one deputy minister who briefed Parliament's Select Committee on Finance on the progress of the Ministerial Task Team on the section 100 (1)(b) intervention in Limpopo.

The team was ordered by President Jacob Zuma to manage the province plagued by allegations of corruption and maladministration.

This was preceded by a Cabinet decision in 2011 to implement the intervention in the Limpopo government in the wake of a financial meltdown in the province.

Others members of the task team are the Ministers of Justice Jeff Radebe, Basic Education Angie Motshekga, Transport Ben Martins, Public Works Thulas Nxesi and the Deputy Finance Minister Nhlanhla Nene.

According to Motshekga, the task team discovered that the Education Department in Limpopo was overspending its budget by R1.4 billion on salaries alone.

"As a result they had to freeze almost everything," said Motshekga.

No improvements could be effected at about 400 schools. No teachers could be employed. No books could be purchased in 2011. National Treasury gave a bailout which paid for the procurement of books this year.

Because of another bailout, orders could be placed for books for 2013.

"Books will be available," assured Motshekga.

However, owing to the deficit of R1.4 billion, the quality of services, Motshekga said, was being compromised.

"We're living on bailouts and cannot do what we're supposed to do."

On other matters, Radebe said a total of 303 state employees had been implicated in having conflicts of issues. At least 22 cases had been handed over to the Department of Public Service and Administration for action.

He gave the assurance that investigations would not only target junior public servants. Senior ones, he said, would be investigated as well. Already one big company had been charged.

The team described how on its arrival in Limpopo, it had found a province in dire straits, which was running out of cash. It needed an additional injection of R2 billion by end of March 2012, failing which civil servants such as teachers, doctors, social workers and service providers would not be paid.

If this had been allowed to happen, the province and government would have been brought into disrepute.

The task team took steps that improved the financial situation from a deficit of R1.77 billion before the team intervened in October 2011 to a R2.38 billion surplus a year later.

A cash management system has been put in place; the liquidity position is very strong; the Provincial Revenue Fund is reflecting positive bank balances; space has been created for the expansion of social services with education and health, and outstanding accruals (payments of registered outstanding payments to suppliers) have declined from R1.2 billion in 2011/12 to R250 million at the end of October 2012.

In addition, a credible 2012 Budget has been prepared. This budget reduced the risk of unauthorised expenditure or underfunding in critical service delivery areas such as health and education.

For more, visit: <https://www.bizcommunity.com>