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Department of Co-operative Governance and Traditional Affairs

Litiko
Lekubusa
ngekubambisana
netebuholi bendzabuko

Department van
Koöperatiewe Regering
en Tradisionele Sake

umNyango
wezekuBusa
ngokuHlanganyela
neeNdaba zamaKhosi

MEDIA RELEASE

COGTA ASSISTING MUNICIPALITIES RECOVER DEBTS OWED BY GOVERNMENT DEPARTMENTS AND PARASTATALS

The Mpumalanga Department of Co-operative Governance and Traditional Affairs (CoGTA) and the Department of Finance have embarked on a process to assist municipalities to recover money owed to them by government departments and parastatals. When the two departments intervened the total outstanding debt owed by government departments and parastatals was R72 411 288.

A task team consisting of officials from the two departments, has been established in terms of Section 64(3) and Section 44 of the Municipal Finance Management Act 56 of 2003, to intervene and assist municipalities to recover government owed debts for property rates and services rendered.

As an immediate intervention, CoGTA and the Department of Finance have written to all departments requesting them to verify and settle all outstanding accounts. All invoices in respect of the outstanding amounts were listed and handed over to the various departments for reconciliation purposes.

One of the challenges that have hindered the process of collecting the outstanding debts from government departments and parastatals was the incorrect information on data bases of municipalities. A process is underway to correct the billing system, through data cleansing in each municipality to ensure that accounts reflects the correct institutions liable for payment. CoGTA is also in the process of conducting a financial analysis to advise the municipalities on the adequacy of the respective financial systems. This analysis includes an assessment of reliability and data accuracy.

Since the introduction of the intervention by the two departments, municipalities have collected an amount of R29 329 116.42 of the debt owed by government departments and parastatals. This has reduced the debt owed to R43 082 171.

The Departments of CoGTA and Finance will continue to engage with departments to ensure that they make arrangements for payment of outstanding debts with municipalities.

Issued by the Department of Co-operative Governance and Traditional Affairs

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