

■ NATION

Councils wait for R5.7bn

Debt owed by government departments

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NATIONAL and provincial government departments owe the country's municipalities a massive R5.7 billion for rates and other services.

A breakdown in figures shows the debt of national departments stands at R3.1bn while all nine provinces are indebted to municipalities to the tune of R2.6bn. The amounts owed have prompted Public Works and Infrastructure (DPWI) Minister Patricia de Lille to institute a project to settle all government debt owed to municipalities.

De Lille revealed this in a written response to parliamentary questions from DA MP Patricia Kopane.

Kopane asked De Lille whether her own department or any entity reporting to her owed any money to municipalities for rates and services.

She also asked De Lille when outstanding amounts would be settled.

De Lille confirmed municipalities were owed money by her department due to inflated accounts being submitted, among others.

"Municipal accounts must be verified and validated prior to processing payments in order to avoid irregular and fruitless and wasteful expenditure," she said. "Many government departments (are) not refunding the DPWI and this creates cash-flow problems for the DPWI."

Her department's chief financial officer was spearheading the project to settle government debt to municipalities.

"(The CFO's) office developed a project plan to reconcile outstanding

government debt for municipal service billed, agree with municipalities for settlement or recovery of the outstanding amount and obtain a sign-off and verification of accounts, (and) provide clear recommendations to avoid a repetition of these issues."

De Lille highlighted that each of her department's 10 regional offices provided a weekly update to her and the CFO on progress made thus far.

"As of June 30 2019, municipalities reported in terms Section 71 of the Municipal Finance Management Act that the overall government debt was R3.1bn. There are 135 municipalities of the municipalities that reported to be owed money by the DPWI. The department is in the process of verifying the debt owed (to) all municipalities," she said.

De Lille, however, said the amounts municipalities claimed to be owed had proven to be unreliable and incorrect.

She said her department was committed to settling all verified debt within 30 days of receipt of the statement invoices and sign-offs.

"Provincial departments responsible for public works are directly responsible for settling their municipal accounts," she added.

Leading the pack in terms of debt owed is Free State with a debt of R629m, followed by Northern Cape with R575m and Limpopo at R422m.

The Eastern Cape is said to owe R395m, Gauteng R313m, North West R151m and Mpumalanga R100m.

Provinces owing the least amounts are the Western Cape at R21m and KwaZulu-Natal at R48m.