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Finance, Economy & Enterprise Development
North West Provincial Government
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Media Statement

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North West Finance Department starts programme aimed at assisting Municipalities to recover debts

As part of broader intervention programme, a team of officials from the North West Department of Finance will be deployed to twelve (12) local municipalities in four districts to assist them to recover debt owed to them by both provincial and national departments as well as resolving disputed debts.

The prioritized municipalities include Madibeng, Rustenburg, Kgetleng-Rivier, Madibeng, Ditsobotla, Ramotshere Moiloa, Naledi, Lekwa-Teemane, Ventersdorp, Tlokwe, Matlosana and Maquassi Hills.

Technical support provided to the municipalities will include amongst others obtaining a list of outstanding government debt from municipality, unpacking, classifying according to departments and attach supporting document to validate the debt. The officials will also reconcile debtor account where necessary, engage municipal management on the recommendations for buy-in, compile weekly progress report, arrange and coordinate meeting with the affected stakeholders for decision and resolution regarding payment of the debt and hand over to the municipality to implement the resolution.

The Department of Finance is committed to work with all spheres of government to ensure the repositioning of municipalities as part of the broader Rebranding, Repositioning and Renewal of the North West Province strategy.

Presenting the 2014/14 Departmental Budget Speech in the legislature recently, the MEC for Finance, Economy and Enterprise Development Wendy Nelson outlined intervention programme to assist municipalities to collect long outstanding government debt as well as assisting them to resolve the disputed debt.



Together moving Bokone Bophirima forward.

“The Provincial Government is worried about the government debt owed to municipalities which was standing at R410 million as at end of 30 June 2014,” said MEC Nelson.

Nelson further called upon the identified municipalities to support the initiative and provide necessary supporting documentation as and when required by the team. Municipalities are further urged to verify and certify correct amounts owed to them and once this process has been concluded the affected departments will be directly engaged by the department.

She said for the programme to be effective, it is necessary for the departments of Local Government and Human Settlement, Health, Public Works and Roads and Education and Sport Development also partake in this programme by deploying officials within their Chief Financial Officer’s for facilitation of speedy processing of payments as and when the reconciliation is done.

It is envisaged that the programme will in future also deal with long outstanding accounts of Eskom, Water Boards as well as Auditor General and it will include facilitation of payment agreements and plans to service the debt accordingly and most importantly honour payment agreements by municipalities.

“It is vital that the provincial government embark on consultative engagements with water boards and Eskom to work on solutions to clear debts owed by municipalities. This process will commence in the next 30 days. This programme is also consistent with the fifth administration objective of reducing consultancy costs and heavy reliance on consultants,” she concluded.

End

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