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PROVINCIAL TREASURY CIRCULAR NO. 28 OF 2025

TO:
HEADS OF DEPARTMENTS
CHIEF EXECUTIVE OFFICERS OF PUBLIC ENTITIES
MUNICIPAL MANAGERS
REGIONAL MANAGERS OF NATIONAL DEPARTMENTS IN MPUMALANGA

**SUBJECT: COMMUNICATION OF RESOLUTIONS FROM THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS (SCOPA) REGARDING GOVERNMENT DEBT MANAGEMENT**

1. PURPOSE

The purpose of the Circular is to inform Departments, Public Entities and Municipalities of the resolutions taken by the Standing Committee on Public Accounts (SCOPA) regarding the management of government debt by departments and entities. It is imperative that all departments and municipalities adhere to these resolutions to ensure accountability and compliance with the Public Finance Management Act, No 1 of 1999 (PFMA) and other relevant prescripts.

2. BACKGROUND

Provincial Treasury is mandated to monitor payment of creditors within 30 days, which includes Government Debt owed by Departments and Public Entities to municipalities in terms of Section 38 of the PFMA.

Provincial Treasury is required to report the status of Government Debt to various structures which includes the Standing Committee on Public Accounts (SCOPA), Port Folio Committee, PCF e.g.

The latest presentation on the status of Government Debt to the Standing Committee on Public Accounts resulted into resolutions being taken that effects all Departments and Public Entities.

3. DISCUSSION

Treasury Regulation 8.2.3 prescribes that all payments due to creditors must be settled within 30 days from receipt of an invoice. Failure to comply with the Treasury Regulation 8.2.3 can result in penalties and sanctions as stipulated in the PFMA. It is crucial for

government institutions to adhere to this requirement to ensure financial accountability and effective management of public funds.

The following resolutions have been communicated by SCOPA:

- a. All provincial organs of State must pay their debts to municipalities as service providers within 30 days as per legislation.
- b. Departments and entities must develop and implement action plans with timeframes in the 2025/26 financial year to pay off historical debt to municipalities. These action plans must be submitted to Provincial Treasury within 60 days of receipt of this Circular; thereafter all departments and entities must submit quarterly progress on these action plans to SCOPA and their respective Portfolio Committees as an annexure to their 2025/26 quarterly reports.
- c. Municipalities must improve the quality and validity of invoices for departments and entities.
- d. Departments, Public Entities and municipalities must develop and implement plans with timeframes to finalize investigations, audits, and disputes between them that were ongoing as at 31 March 2025 and that they submit on a monthly basis detailed progress reports to Provincial Treasury starting on 30 May 2025, which must then be submitted to SCOPA by 30 June 2025.
- e. It is essential that all institutions take immediate action to comply with these resolutions. Action plans and progress reports must be submitted as per the outlined timelines to ensure transparency and accountability.

Should you require further clarification or assistance in implementing these resolutions, please do not hesitate to contact Provincial Treasury, Mr Shadrack Masombuka, with the following contact details: Cell 083 992 7436 and email Smasombuka@mpg.gov.za



MS. GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 13-05-2025