



2019/20
**ANNUAL
REPORT**

NON-COMPLIANCE
WITH PAYMENT OF
SUPPLIERS WITHIN

30 DAYS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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1. Executive Summary

The National Treasury continues to monitor the level of compliance with the requirement to pay supplier's invoices within the prescribed period in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) and as resolved by Cabinet and the Forum of South African Directors-General (FOSAD).

Legislative Requirements on Payments of Suppliers Invoices

Section 38(1)(f) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) states that, *"the accounting officer for a department must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period"*.

Treasury Regulation 8.2.3 states that: *"Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, the date of settlement or court judgement"*.

The Effects of Late or Non-Payment of Suppliers Invoices

Our country faces socio-economic challenges such as high unemployment rate, inequality, poverty and other related challenges. The late and/or non-payment of invoices impacts negatively on the financial health of suppliers who are often forced to borrow money in order to keep afloat financially as well as to continue meeting their contractual obligations with State institutions. When public sector institutions do not meet their contractual agreements and pay their suppliers timeously, it often results in these suppliers being liquidated, especially the SMMEs, which contributes to the already high unemployment rate.

The closing down of these SMMEs due to late and/or non-payment of suppliers is seen as being counter-productive to the National Development Plan and the National Growth Path, which both strive to improve economic growth and reduce poverty, inequality and unemployment in South Africa. Other big companies in various sectors are also closing down or applying for business rescue due to late and/or non-payment of invoices by government institutions.

The overall number of invoices that remain unpaid within 30 days are still high and this is an indication that accounting officers and chief financial officers are not implementing appropriate and effective internal controls measures in their respective departments to ensure that suppliers are paid on time in compliance with the PFMA and Treasury Regulations.

Cabinet and FOSAD Resolutions

On 02 December 2009, Cabinet resolved that departments must implement mechanisms to ensure that payments to suppliers are paid within 30 days from the date of receiving an invoice. FOSAD also resolved that

the National Treasury must provide the Forum with regular reports on the extent of compliance by departments with the requirement to pay suppliers invoices within 30 days.

Pursuant to the FOSAD resolution, the National Treasury reports quarterly to relevant stakeholders on the status of compliance with the National Treasury Instruction Note No. 34 of 2011 dealing with payment of suppliers within 30 days.

National Treasury Initiatives in Support of Cabinet and FOSAD Resolutions

Subsequent to the Cabinet meeting of 02 December 2009, the National Treasury issued a communiqué on 31 May 2010 to national and provincial departments urging their respective accounting officers to institute measures to ensure that their credit obligations are met within the required timeframes. This communiqué also stressed that non-compliance with the requirement to pay invoices within 30 days can be grounds for financial misconduct.

On 30 November 2011, National Treasury issued a Treasury Instruction Note Number 34 which required departments to submit exception reports to the relevant treasuries by the 7th day of each month with information in respect of the preceding month, with details of the following information:

- the number and value of invoices paid after 30 days from the date of receiving invoices;
- the number and value of invoices that are older than 30 days, which remained unpaid; and
- the reasons for the late and/or non-payment of the invoices referred to in (a) and (b) above.

Provincial treasuries are also required to collate information from their respective provincial departments and to submit exception reports to the National Treasury by the 15th day of each month with information of the preceding month.

The Treasury Instruction Note 34 also requires departments to implement manual or electronic systems and processes that will enable departments to track invoices from the time they are received at the relevant cost centres to the time that a payment is actually made.

This annual report serves to update the Standing Committee on Public Accounts (SCOPA) and the Standing Committee on Finance (SCoF) and other relevant stakeholders on the status of compliance with the requirement to pay suppliers within the required timeframes. The report also provides information of the 2019/2020 financial year with comparative figures reported in the 2018/2019 financial year, trend analyses and narratives generated from exception reports submitted by national departments and provincial treasuries (in respect of their provincial departments).

On 23 March 2018, the National Treasury in its effort to assist public sector institutions to meet their credit obligations and to remind heads of institutions of this requirement issued a treasury circular on the timeous payment of invoices and claims which requested heads of institutions to:

- Put measures in place to pay valid invoices and claims as required by the legislation;
- Strengthen internal controls measures to monitor the implementation thereof;
- Urge relevant authorities to institute disciplinary steps against those employees who undermine this requirement or the internal controls in place; and
- Remind relevant authorities that failure to take disciplinary steps against those employees constitute non-compliance.

In compliance with a Cabinet resolution, the Department of Planning, Monitoring and Evaluation (DPME) conducted a case study to identify challenges that are plaguing the health sector with a focus on the Departments of Health in Gauteng and the Eastern Cape. The study found that medico-legal claims played a significant role in cash flow challenges in these departments resulting in large accruals. In essence, these departments experienced difficulties in paying their suppliers timeously due to the high number of medico-legal claims that were under their obligation to settle (court processes). This has in some instances, resulted in budgeted funds being utilised to settle these claims thereby leaving insufficient funds to settle the payment of supplier's invoices.

The National Treasury together with DPME continued to meet with other national and provincial departments who are struggling to pay invoices within 30 days to identify root causes leading to non-compliance. The team also held meetings with representatives from the health sector and the construction industry who are owed money by government institutions. These meetings were mostly to settle disputes between suppliers and departments.

Impact of COVID-19 Pandemic

On 15 March 2020, the honourable president of the republic of South Africa, Mr. Cyril Ramaphosa declared a national state of disaster due to the COVID-19 pandemic to enable the country to have an integrated and coordinated disaster management mechanism that will focus on preventing and reducing the outbreak of the virus which was declared a global pandemic by the World Health Organization.

The COVID-19 pandemic has had a negative effect and long-lasting impact on the economy of the country, businesses and many Small Micro and Medium Sized Enterprises (SMMEs) and this has resulted in an even larger unemployment rate and Government has announced a number of economic interventions to assist SMME's and businesses that are affected by the national lockdown due to temporary closure of their operations and businesses.

The National Treasury to ensure that operations of government still continue without putting strain on administrative processes issued instructions and communications in response to the national wide lockdown and on 02 April 2020, an extension for the submission of 30 days exception reports for the month of March 2020

was granted to national and provincial departments due to the national wide lockdown announced by the president of the country. The extension was granted as follows:

Submission by national departments: The due date for the submission of 30 days exception reports by national departments to the National Treasury for the month of March 2020 was extended from 7 April 2020 to 7 May 2020 and **Submission by provincial departments:** The due date for submission of 30 days exception reports by provincial departments to the relevant treasuries for the month of March 2020 was extended from 7 April 2020 to 7 May 2020 and the due date for submission of information collated by provincial treasuries to the National Treasury was extended from 15 April 2020 to 15 May 2020.

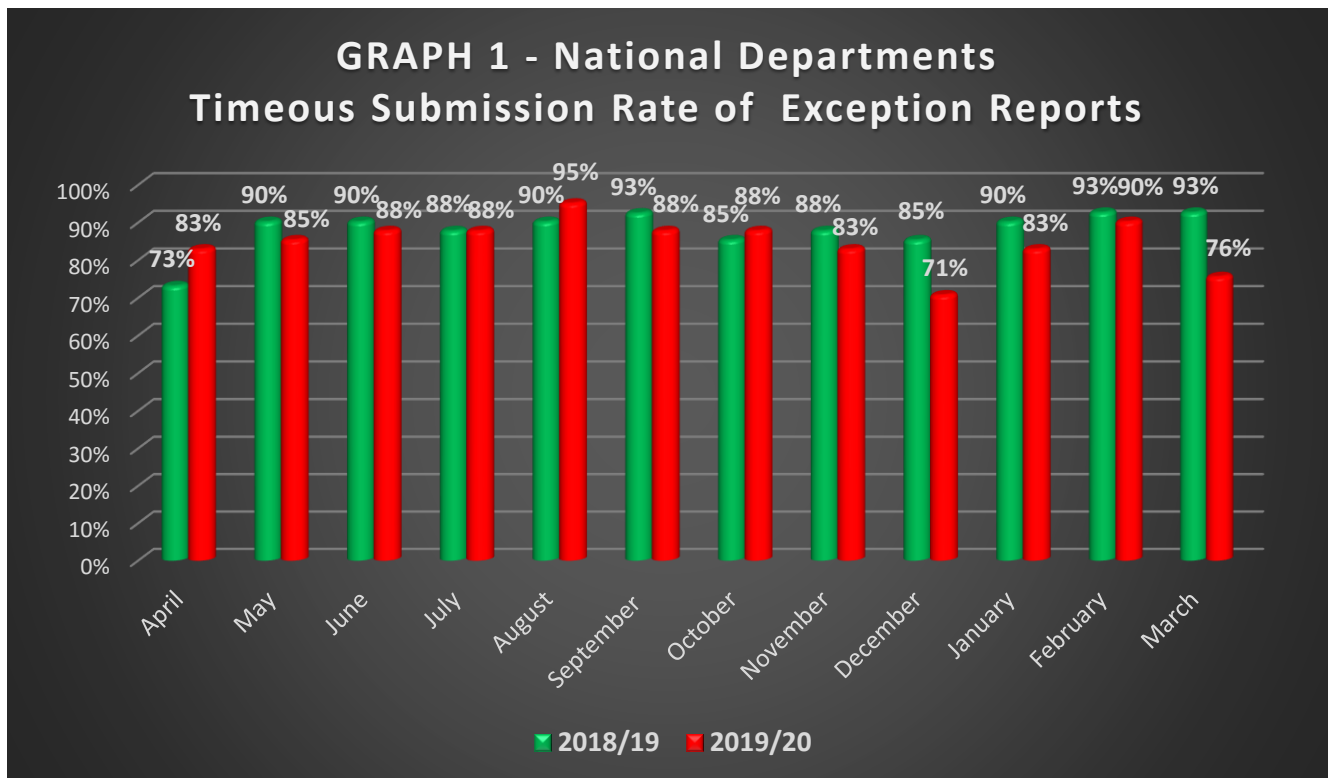
Section A

National Departments

2. Submission of Exception Reports by national departments

Treasury Instruction Note Number 34 requires national departments to submit their exceptions reports to the National Treasury by the 7th day of each month with information in respect of the preceding month. This submission date was extended by a month from 07 April 2020 to 07 May 2020 due to the national wide lockdown.

Graph 1 below provides month to month comparative of **timeous submission of exception reports** to the National Treasury for the 2019/2020 financial year and 2018/2019 financial year



Graph 1 above indicates timeous submission rate of exception reports of forty-one (41) national departments during 2019/2020 financial year. The graph above further indicates that national departments achieved an annual average timeous submission rate of 85% during 2019/2020 financial year, and this represents a regression of 3% when compared to the annual average timeous submission rate of 88% achieved by national departments in 2018/2019 financial year. All forty-one (41) national departments submitted their exception reports to the National Treasury during 2019/2020 financial year as required, however, ten (10) national departments submitted their exception reports for the month of March 2020 late and this could be due to the Covid-19 pandemic and national-wide lockdown.

Table 1 below provides a list of national departments that have not submitted their exception reports timeously during 2019/2020 financial year.

Table 1: National Departments				
Departments that submitted their Exception Reports Timeously in 2019/2020 Financial Year				
Department	Exception Reports Submitted		Number of Exception Reports Submitted Timeously	
	Number	Annual %	Number	Annual %
Labour	12	100%	0	0%
Rural Development and Land Reform	12	100%	0	0%
Women	12	100%	5	42%
Transport	12	100%	6	50%
Cooperative Governance and Traditional Affairs	12	100%	7	58%
International Relations and Cooperation	12	100%	7	58%
Basic Education	12	100%	7	58%
Military Veterans	12	100%	8	67%
National Treasury	12	100%	10	83%
Health	12	100%	10	83%
Higher Education and Training	12	100%	10	83%
Human Settlements	12	100%	10	83%
Water and Sanitation	12	100%	10	83%

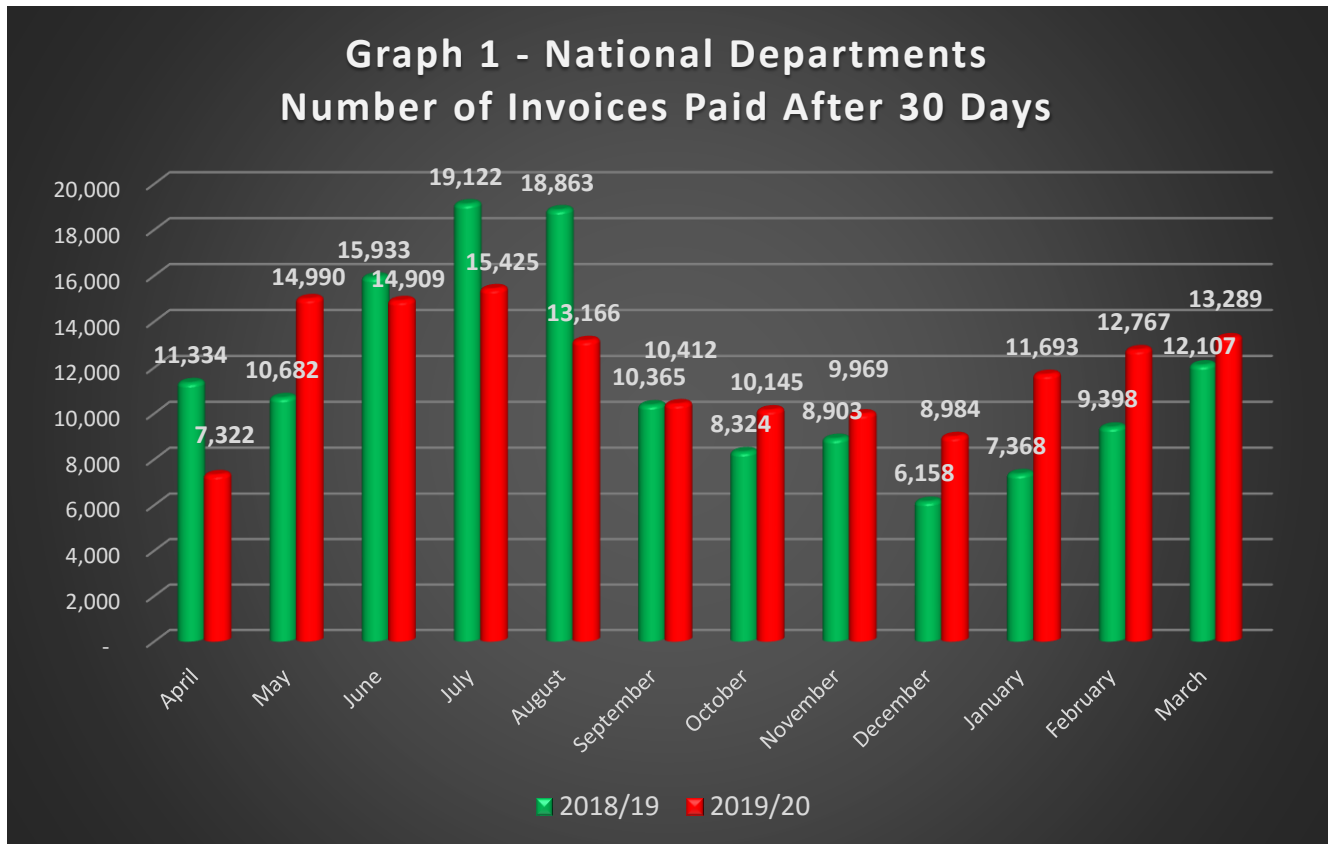
Table 1 above indicates thirteen (13) national departments that failed to submit two or more of their exceptions reports timeously to the National Treasury during 2019/2020 financial year. Some of these departments that failed to submit their exception reports timeously provided reasons such as challenges with the delegated officials not being available to sign off reports, whilst other departments did not provide reasons for the late submission of their exceptions reports to the National Treasury.

It is concerning that the department of Labour and department of Rural Development and Land Reform failed to submit all their twelve (12) exceptions reports to the National Treasury timeously during 2019/2020 financial year. The department of Women only managed to submit five (5) or 42% of exception reports timeously to the National Treasury during 2019/2020 financial year.

It is of critical importance that departments submit their exception reports timeously to the National Treasury so that reports to internal and external stakeholders provides a comprehensive analysis of the status of compliance by departments with the requirement to pay invoices within the prescribed 30 days from receipt of an invoice.

3. National Departments: Analysis of Exception Reports

Graph 2 below provides month to month comparative figures of the **number of invoices paid after 30 days by national department** in the 2019/2020 financial year when compared with that of 2018/2019 financial year.



Graph 2 above indicates that the total number of invoices paid after 30 days by national departments from April 2019 to March 2020 amounted to 143 071 and this represents a regression of 4 514 or 3% of the invoices when compared to the number of invoices paid after 30 days for the period from April 2018 to March 2019 for the 2018/2019 financial year which amounted to 138 557 invoices.

The annual average number of invoices paid after 30 days for the period April 2019 to March 2020 amounted to 11 923 invoices and this indicates an improvement of 377 or 3% when compared to the annual average number of invoices paid after 30 days for the period April 2018 to March 2019 of the 2018/2019 financial year which amounted to 11 546 invoices.

The following seven (7) national departments reported that they paid all their invoices within 30 days as required during 2019/2020 financial year:

- Planning Monitoring and Evaluation
- Public Service and Administration
- Telecommunications & postal services
- Economic Development
- Mineral Resources
- Trade and Industry
- Traditional Affairs

Table 4 below provides details of national departments that have shown an improvement with regard to the number of invoices paid after 30 days in 2019/2020 financial year when compared to the same in 2018/2019 financial year.

Table 4: National Departments			
Most Improved Departments in Relation to Invoices Paid <u>After</u> 30 Days			
Department	Number of invoices 2018/2019	Number of invoices 2019/2020	Improvement (%)
Economic Development	1	-	100%
Human Settlements	34	1	97%
Women	503	84	83%
Home Affairs	715	241	66%
Office of the Chief Justice	1,520	564	63%
Higher Education and Training	116	60	48%
National Treasury	100	53	47%
Transport	4,508	2,534	44%
Agriculture, Forestry and Fisheries	765	454	41%
Correctional Services	5,598	3,385	40%

Table 4 above provide details of ten (10) national departments that have achieved an improvement of **40% and more** in relation to the number of invoices paid after 30 days in 2019/2020 financial year when compared with that of the 2018/2019 financial year. These departments are urged to maintain this improvement to ensure that all invoices are paid timeously by constantly reviewing and improving their internal controls to ensure compliance with the Treasury Regulation 8.2.3.

Although the aforementioned departments reflect an improvement of **40% and more**, some of these departments like department of Correctional Services and department of Transport are still reflecting high number of invoices paid after 30 days and these departments are also urged to improve their internal controls to ensure that invoices are paid within thirty (30) days.

Table 5 below provides national departments that have regressed in the number of invoices paid after 30 days when comparing information for the 2019/2020 financial year with that of the 2018/2019 financial year.

Table 5: National Departments			
Poor Performing Departments in Relation to Invoices Paid <u>After</u> 30 Days			
Name of Department	Number of invoices 2018/2019	Number of invoices 2019/2020	Regression (%)
Defence	72,593	90,608	-25%
Energy	17	25	-47%
Labour	36	55	-53%
Rural Development and Land Reform	2,048	3,644	-78%
Cooperative Governance	588	1,391	-137%
Health	171	430	-151%
The Presidency	12	50	-317%
Tourism	45	222	-393%
Basic Education	31	154	-397%
Arts and Culture	1	6	-500%
Communications/ GCIS	1	82	-8100%

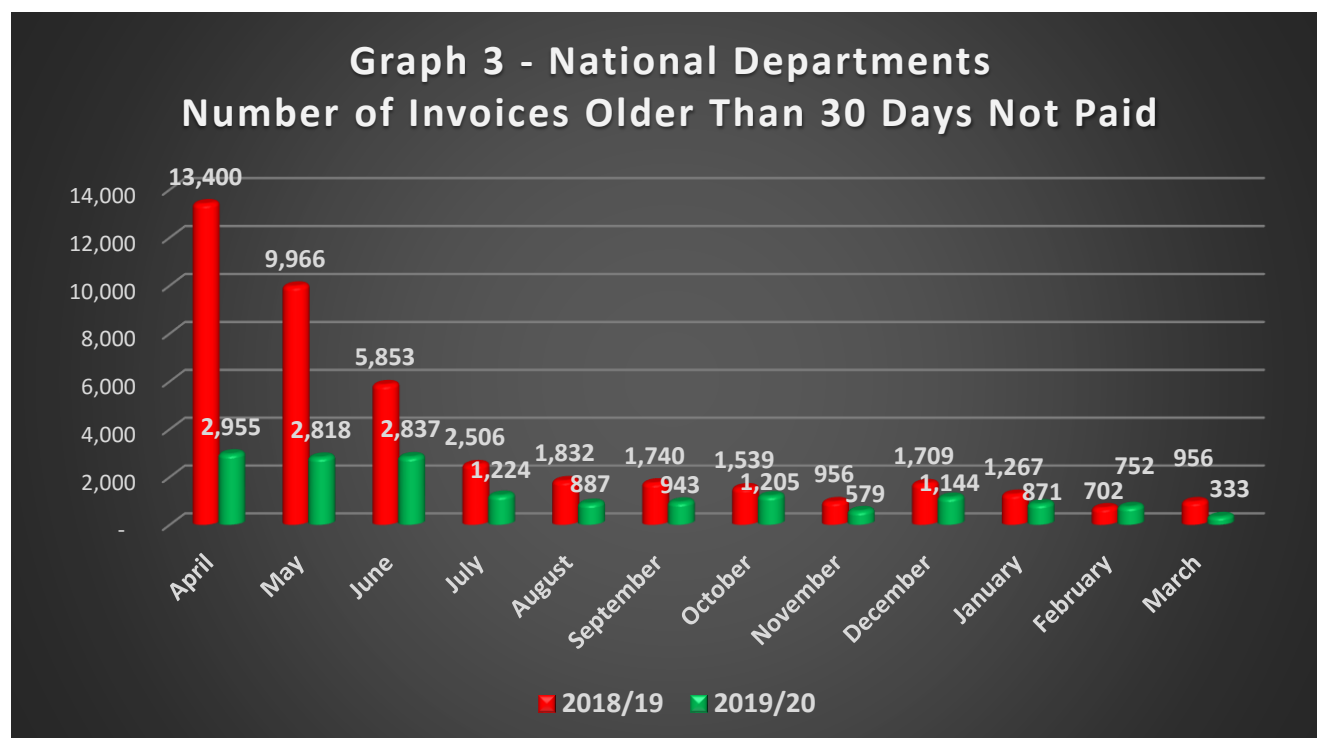
Table 5 above provide details of eleven (11) national departments that regressed with regard to the number of invoices paid after 30 days from 2018/2019 financial year to 2019/2020 financial year, and from the above table, it is notable that some departments have the highest regression but with the lower number of invoice paid after 30 days, and some departments have the lowest regression with the highest number of invoices paid after 30 days reported in 2019/2020 financial year.

The department of Communication recorded the highest regression with regards to number of invoices paid after 30 days which amounted to 82 invoices and this represents a regression of 81 invoices when compared to the number of invoices paid after 30 days in 2018/2019 financial year which amounted to just one invoice.

The Department of Defence recorded the highest number of invoices paid after 30 days which amounted to 90 608 invoices and this represents regression of 25% when compared to invoices paid after 30 days in 2018/2019 financial year which amounted to 72 593 invoices.

Department of Arts and Culture reported the lowest number of invoices paid after 30 days which amounted to 6 invoices and this represents a regression of 500% when compared to number of invoices paid after 30 days in 2018/2019 financial year which amounted to just one invoice. The Department of Energy reported the second lowest number of invoices paid after 30 days which amounted to 25 invoices and this represents a regression of 47% when compared to number of invoices paid after 30 days in 2018/2019 financial year which amounted to 17 invoices.

Graph 3 below provides month to month comparative figures of the **number of invoices older than 30 days and not paid** during the 2019/2020 financial year and 2018/2019 financial year.



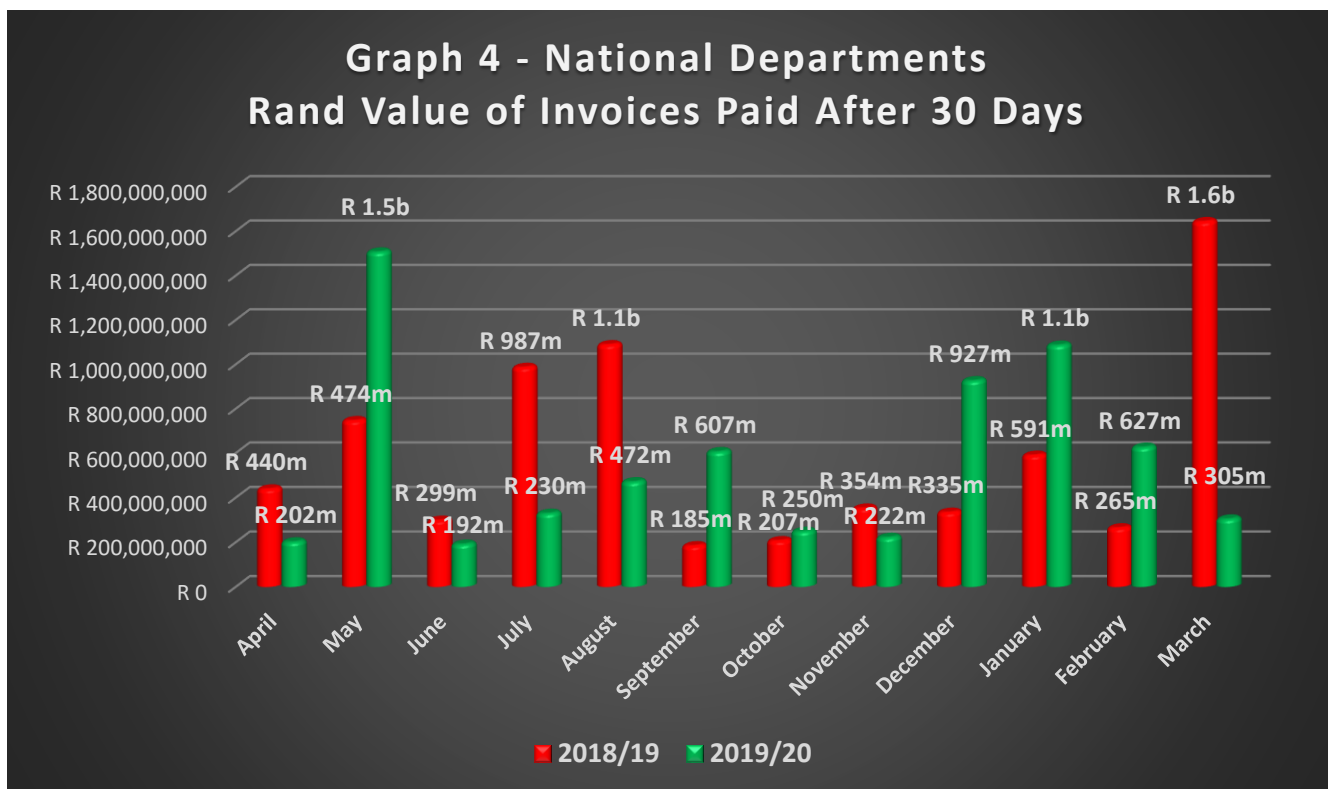
Graph 3 above indicates that there is constant improvement in the number of invoices older than 30 days and not paid by national departments at the end of 2019/2020 financial year, when comparing the same at the end of 2018/2019 financial year. The number of invoices older than 30 days and not paid at the end of 2019/2020 financial year amounted to 333 invoices and this represents an improvement of 65% or 623 invoices when compared to invoices older than 30 days and not paid at the end of 2018/2019 financial year which amounted to 956 invoices.

Table 6 below provides national departments that have shown an improvement in the number of invoices older than 30 days not paid in 2019/2020 financial year when compared with 2018/2019 financial year.

Table 6: National Departments Improved departments in Relation to Invoices Older than 30 Days and Not Paid			
Name of Department	2018/19	2019/20	Improvement (%)
The Presidency	1	0	100%
Agriculture, Forestry and Fisheries	9	0	100%
Chief Justice and Judicial Administration	2	0	100%
Police	10	1	90%
Home Affairs	14	4	71%
Rural Development and Land Reform	10	3	70%
Public Works & PMTE	540	173	68%
Cooperative Governance	25	9	64%
Water and Sanitation	342	137	60%

Table 6 above provides details of national departments that have achieved an improvement of **60% or more** in respect of the number of invoices older than 30 days and not paid at the end of 2019/2020 financial year when compared to the same at the end of 2018/2019 financial year. These departments are encouraged to maintain this commitment to ensure that all invoices are paid timeously by constantly reviewing and improving their internal controls to ensure compliance with the Treasury Regulation 8.2.3.

Graph 4 below provides month to month comparative figures of the **Rand value of invoices paid after 30 days** in 2019/2020 financial year and that of 2018/2019 financial year.

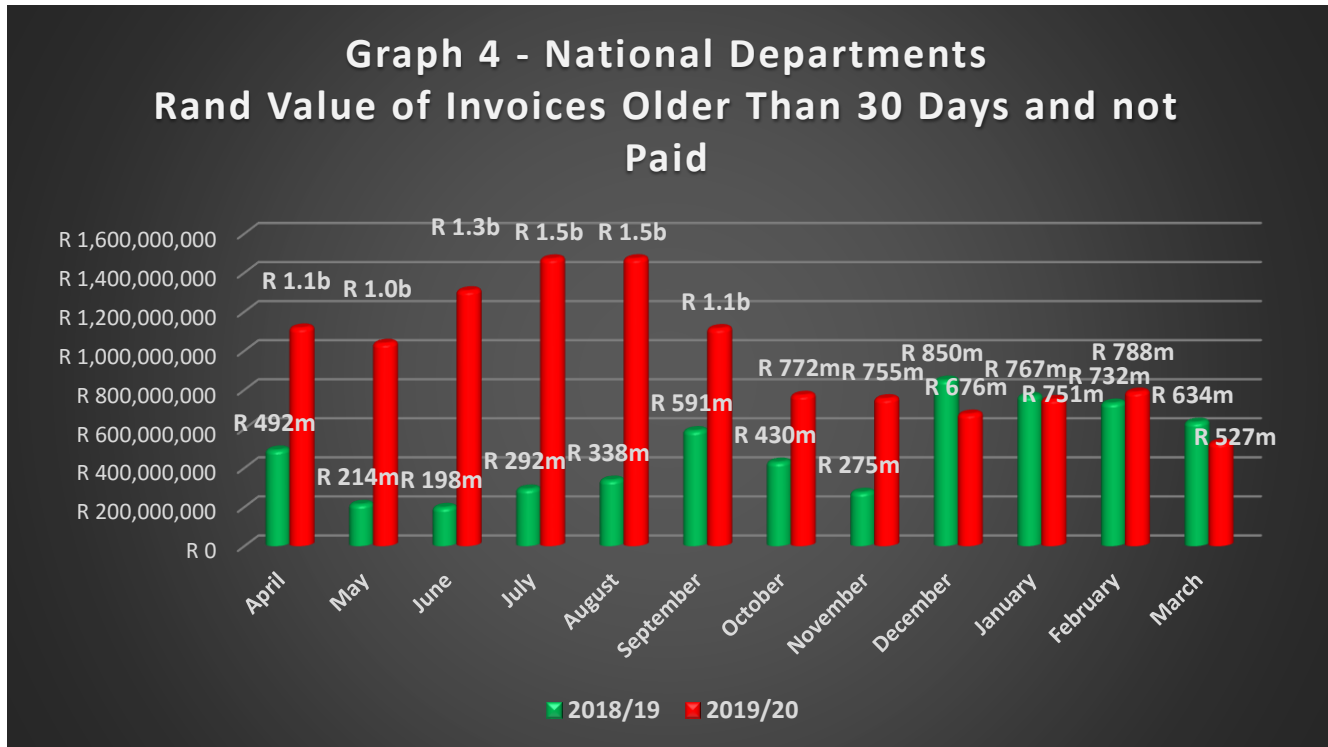


Graph 4 above indicates that the total Rand value of invoices paid after 30 days from April 2019 to March 2020 of the 2019/2020 financial year which amounted to R 6.7 billion, and this represents an improvement of 6% or R 400 million when compared to the total Rand value of invoices paid after 30 days from April 2018 to March 2019 of the 2018/2019 financial year which amounted to R 7.1 billion.

The annual average Rand value of invoices paid after 30 days amounted to R 561 million in 2019/2020 financial year, and this represents an improvement of R 34 million or 6% when compared to the R 595 million recorded in 2018/2019 financial year.

The Department of Water and Sanitation reported the highest Rand value of the total rand value of invoice paid after 30 days during 2019/2020 financial year which amounted to R 2.8 billion or 42% of the total rand value of invoices paid after 30 days, and this was followed by the Department of Defence who reported R 897 million or 13% of the total Rand value of invoices paid after 30 days during the same period.

Graph 5 below provides month to month comparative figures of the Rand values of invoices older than 30 days and not paid at the end of the 2019/2020 financial year and that of 2018/2019 financial year.



The graph above indicates that the Rand value of invoices older than 30 days and not paid by national department at the end of 2019/2020 financial year amounted to R 527 million, and this represents a regression of 17% or R 107 million when compared to the Rand value of invoices older than 30 days and not paid at the end of 2018/2019 financial year which amounted to R 634 million.

The Department of Water and Sanitation reported the highest Rand value of the total Rand value of invoice older than 30 days and not paid at the end of 2019/2020 financial year which amounted to R 506 million or 96% of the total rand value, and this was followed by the department of Public Works which reported R 19 million or 4% of the total rand value of invoices older than 30 days and not paid at the end of 2019/2020 financial year.

Table 7 below indicates a quarterly comparative analysis of the number and Rand Value of invoices not paid within 30 days by national departments during the 2019/2020 financial year.

Table 7: National Departments – Quarterly comparative analysis of invoices not paid within 30 days

Quarter	Invoices Paid after 30 days		Invoices older than 30 days and not Paid	
	Number	Rand Value	Number	Rand Value
Quarter 1	37,221	R 1.9 billion	2,837	R 1.3 billion
Quarter 2	39,003	R 1.4 billion	943	R 1.1 billion
Quarter 3	29,098	R 1.4 billion	1,144	R 676 million
Quarter 4	37,749	R 2.0 billion	331	R 527 million
Total	143,071	R 6.7 billion	5,257	R 3.6 billion

Table 7 above indicates that national departments recorded 143 071 invoices which were paid after 30 days to the Rand value of R 6.7 billion in 2019/2020 financial year, and during the first quarter of 2019/2020 financial year, national departments recorded the second lowest number of invoices paid after 30 days which amounted to 37 221 invoices or 26% of the total number of invoices paid after 30 days to the rand value of R 1.9 billion.

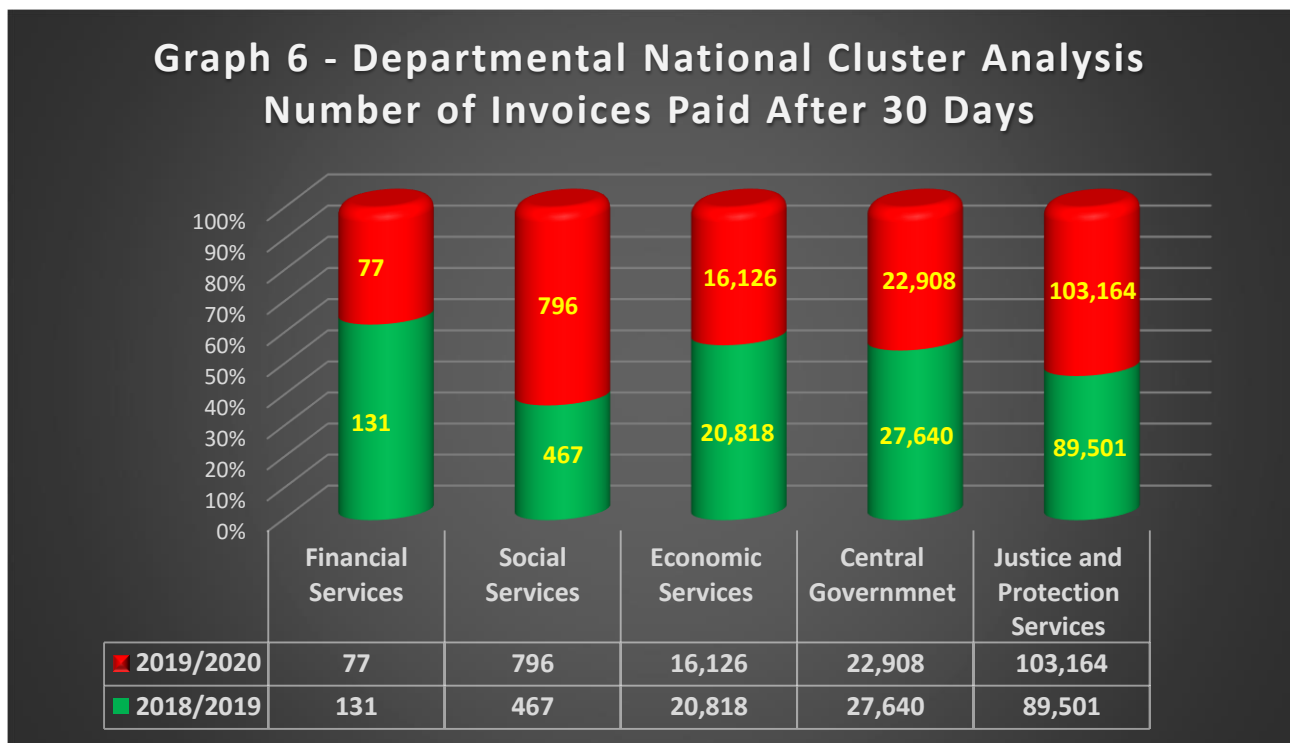
National departments recorded the highest number of invoices paid after 30 days during the second quarter of 2019/2020 financial year which amounted to 39 003 invoices or 27% of the total number of invoices paid after 30 days to the rand value of R 1.4 billion.

National departments reported the lowest number of invoices paid after 30 days during the third quarter of 2019/2020 financial year which amounted to 29 098 invoices or 20% of the total number of invoices paid after 30 days to the Rand value of R 1.4 billion.

National departments reported the second highest number of invoices paid after 30 days during the fourth quarter of 2019/2020 financial year which amounted to 37 749 invoices or 26% of the total number of invoices paid after 30 days to the Rand value of R 2.0 billion.

The table above further indicates that at the end of the first quarter of 2019/2020 financial year, national departments reported 2 837 invoices that were older than 30 days and not paid to the rand value of R 1.3 billion and, at the end of the second quarter, national departments improved in terms of the number of invoices older than 30 days and which were not paid and reported 943 invoices to the rand value of R 1.1 billion. National departments reported the lowest number of invoices older than 30 days and not paid at the end of the fourth quarter of the 2019/2020 financial year which amounted to 333 invoices to the rand value of R 527 million.

Graph 6 below provides comparative national cluster analysis on the **number of invoices paid after 30 days** in 2019/2020 financial year when compared to the 2018/2019 financial year.



Graph 6 above indicates that **the Justice and Protection Services cluster** reported the highest number of invoices paid after 30 days in 2019/2020 financial year which amounted to 103 164 invoices or 72% of the total invoices in 2019/2020 financial year and this represents a regression of 15% or 13 663 invoices when compared to the invoices paid after 30 days in 2018/2019 financial year which amounted to 89 501 invoices.

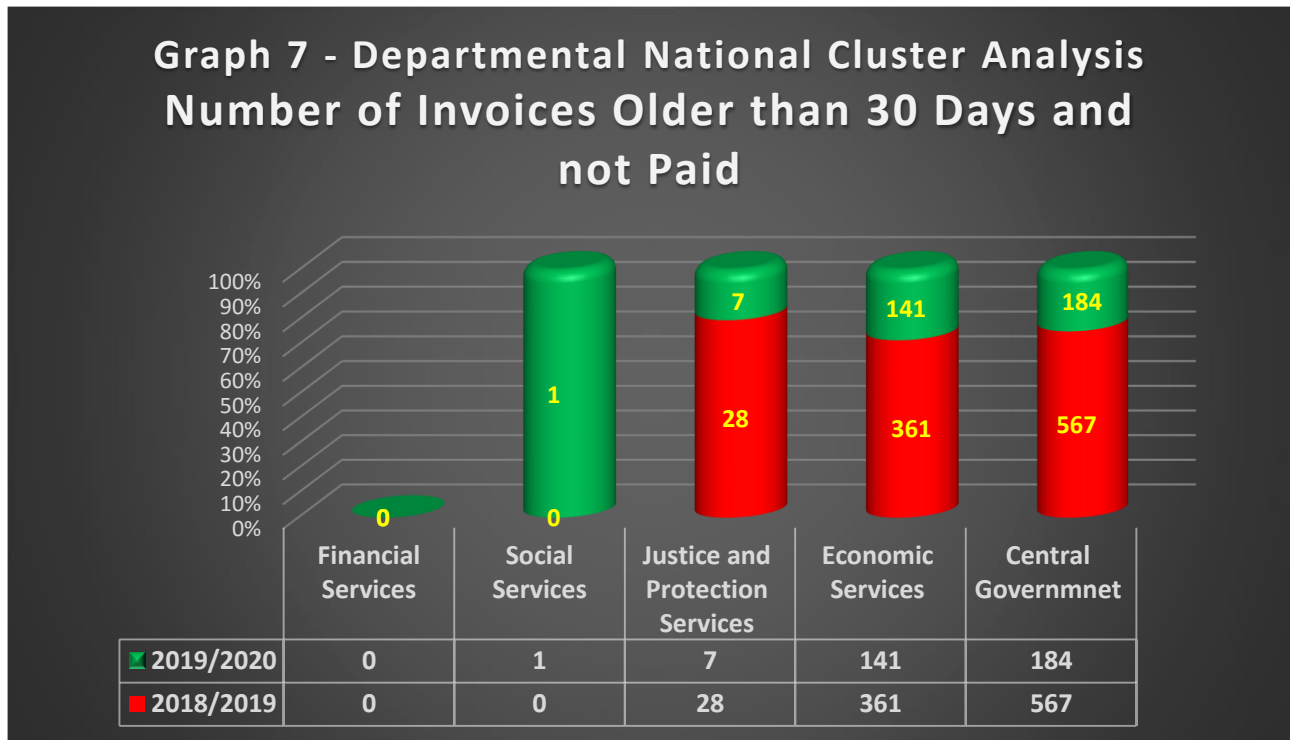
The Central Government cluster reported the second highest number of invoices paid after 30 days in 2019/2020 financial year which amounted to 22 908 invoices or 16% of the total number of invoices reported in 2019/2020 financial year and this represents an improvement of 17% or 4 732 invoices when compared to the invoices paid after 30 days in 2018/2019 financial year which amounted to 27 640 invoices.

The Economic Services cluster reported 16 126 invoices or 11% of the total number of invoices paid after 30 days reported in 2019/2020 financial year and this represents an improvement of 23% or 4 692 when compared to the invoices paid after 30 days in the 2018/2019 financial year which amounted to 20 818 invoices.

The Social Services cluster reported 796 invoices paid after 30 days in 2019/2020 financial year and this represents a regression of 70% or 329 when compared to the invoices paid after 30 days reported in 2018/2019 financial year which amounted to 467 invoices.

The Financial Services cluster reported the least number of invoices paid after 30 days in 2019/2020 financial year which amounted to 77 invoices and this represents an improvement of 41% or 54 invoices when compared to the invoices paid after 30 days reported in the 2018/2019 financial year which amounted to 131 invoices.

Graph 7 below provides a comparative national cluster analysis on the **number of invoices older than 30 days and which were not paid** in 2019/2020 financial year when compared to the 2018/2019 financial year.



Graph 7 above indicates that the **Central Government cluster** reported the highest number of invoices older than 30 days and not paid at the end of 2019/2020 financial year which amounted to 184 invoices or 56% of the total invoices older than 30 days and not paid reported at the end of 2019/2020 financial year and this represents an improvement of 68% or 383 invoices when compared to the invoices older than 30 days and not paid at the end of the 2018/2019 financial year which amounted to 567 invoices.

The Economic Services cluster reported the second highest number of invoices older than 30 days and not paid at the end of 2019/2020 financial year which amounted to 141 or 43% of the total invoices older than 30 days reported at the end of 2019/2020 financial year and this represents an improvement of 61% or 220 invoices when compared to invoices older than 30 days and not paid at the end of 2018/2019 financial year which amounted to 361 invoices.

The Justice and Protection cluster reported 7 invoices or 2% of the total invoices older than 30 days and not paid at the end of 2019/2020 financial year and this represents an improvement of 75% or 21 invoices when compared to the invoices older than 30 days and not paid at the end of 2018/2019 financial year which amounted to 28 invoices.

The Social cluster reported only one invoice and the **Financial Services cluster** reported no invoices older than 30 days and not paid at the end of 2019/2020 financial years.

The enclosed **Annexure A** provides detailed comparative statistics of national departments level of compliance with the requirement to pay suppliers within 30 days for 2019/2020 and 2018/2019 financial years.

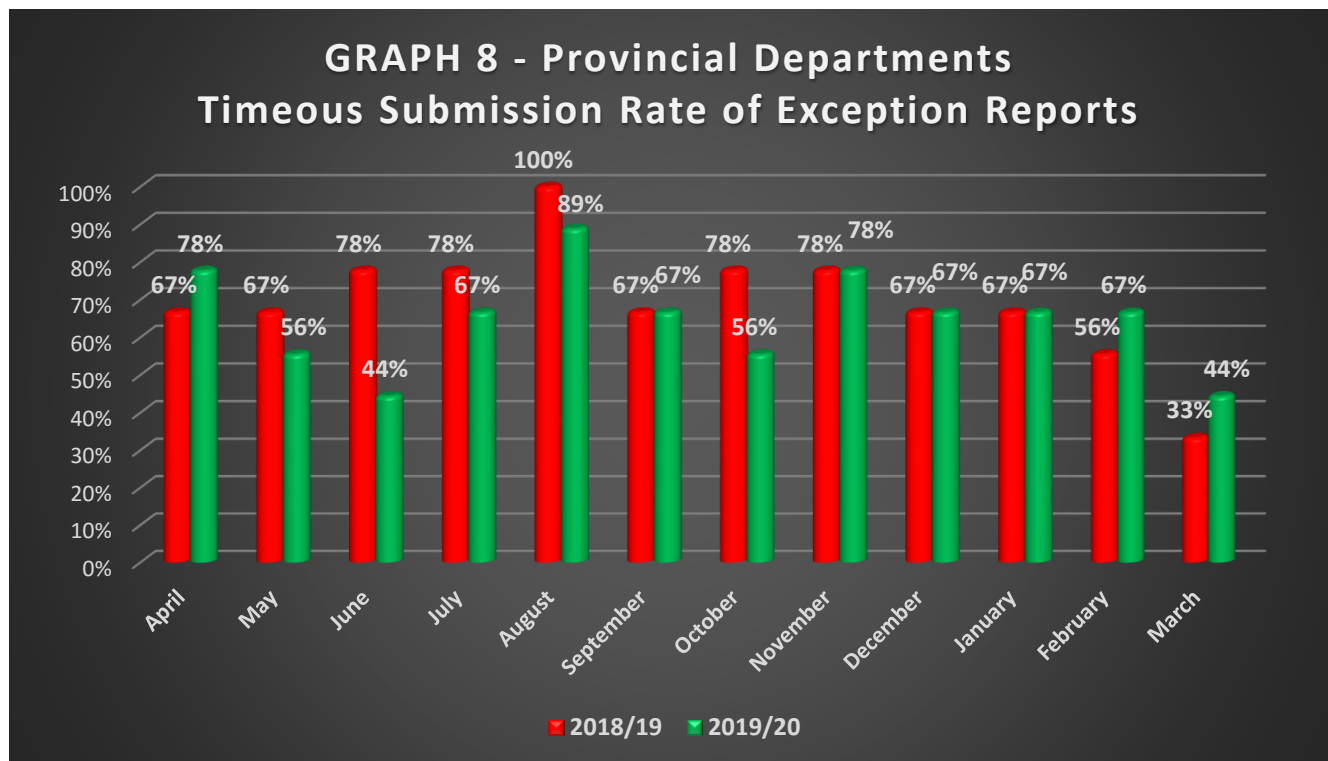
Section B

Provincial Departments

4. Submission of Exception Reports by provincial departments

Provincial treasuries are required by treasury Instruction number 34 to submit their consolidated exception reports for their respective provincial departments to the National Treasury by the 15th day of each month with information of the preceding month. Submission of exception reports for the month of March 2020 was extended from the 15 April 2020 to 15 May 2020 due to the national-wide lockdown.

Graph 8 below provides a month to month comparative analysis of the provincial **timeous submission of exception reports** to the National Treasury for the 2019/2020 and 2018/2019 financial years.



Graph 8 above indicated that the annual average timeous submission rate achieved by provincial treasuries in 2019/2020 financial year is 65%, and this represents a regression of 4% when compared to 69% annual average timeous submission rate achieved in 2018/2019 financial year.

It is important for provincial treasuries to submit the required information timeously since the late submission of information adversely affects the completeness of information reported to internal and external oversight structures. One of the common reasons provided by provincial treasuries for the late submission of the exception reports is the late submission of information by their respective provincial departments and this delays provincial treasuries to consolidate the information for timeous submission to the National Treasury.

Table 8 below indicates comparative level of compliance by provincial treasuries with the submission requirements of exception reports to the National Treasury during 2019/2020 financial year.

Table 8: Provincial Treasuries Compliance with Submission of Exception Reports								
Provincial Treasury	Exception Reports Submitted				Exception Reports Submitted Timeously			
	Number		Annual %		Number		Annual %	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Eastern Cape	12	12	100%	100%	11	12	92%	100%
Free State	12	12	100%	100%	10	12	83%	100%
Western Cape	12	12	100%	100%	12	11	100%	92%
Gauteng	12	12	100%	100%	9	9	75%	75%
Northern Cape	12	12	100%	100%	9	9	75%	75%
North West	12	12	100%	100%	9	7	75%	58%
Limpopo	12	12	100%	100%	7	5	58%	42%
Kwazulu-Natal	12	12	100%	100%	2	3	17%	25%
Mpumalanga	12	12	100%	100%	6	2	50%	17%

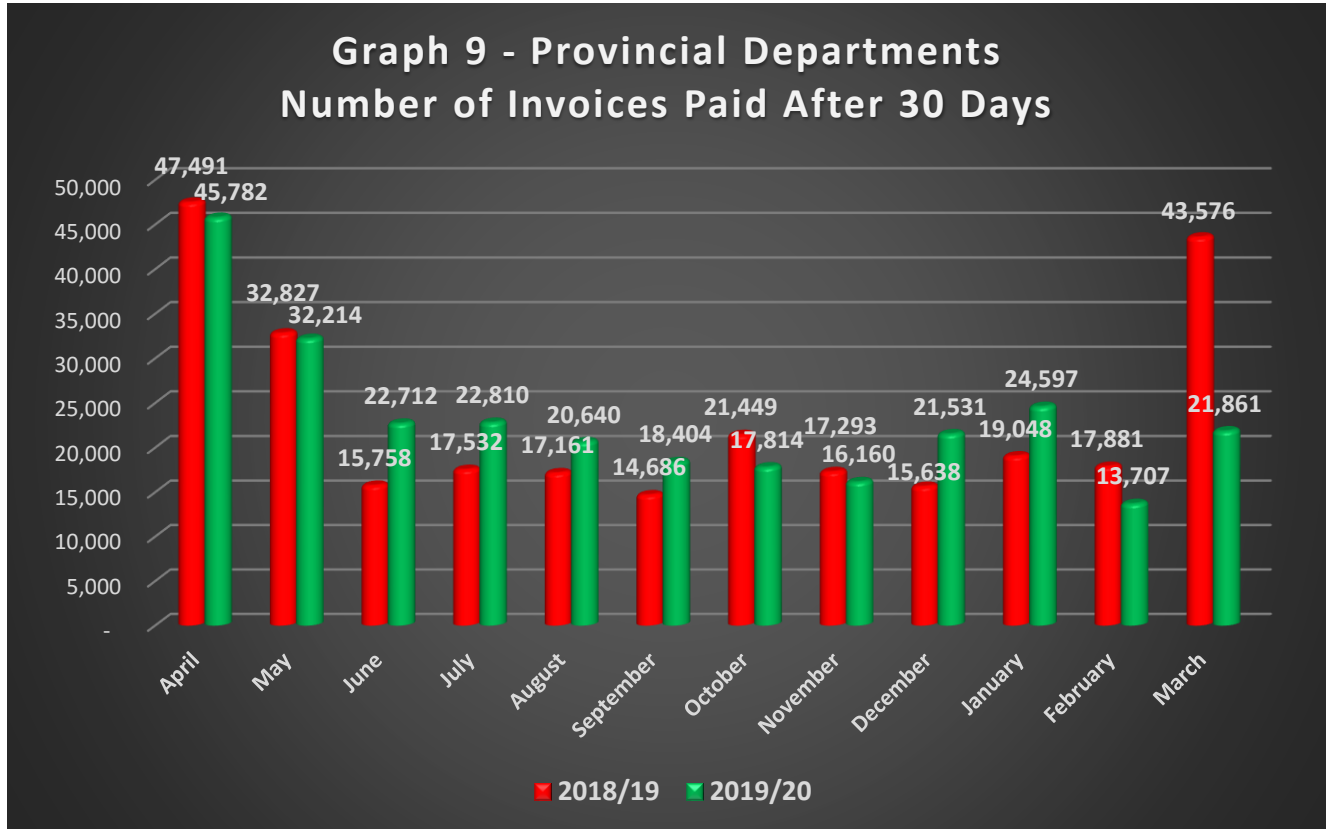
The Table above indicates that all provinces submitted their exception report to the National Treasury, however, only Eastern Cape and Free State managed to submit all their exception reports timeously during the 2019/2020 financial year in compliance with Instruction Note 34 and this indicates an improvement in terms of number of provinces who submitted all their exception reports timeously when compared to the 2018/2019 financial year where only Western Cape submitted all their exception reports timeously to the National Treasury.

Limpopo, KwaZulu-Natal and Mpumalanga continued to struggle to submit their exception reports to the National Treasury timeously during 2019/2020 financial year where they manage to achieve 42%, 25% and 17% timeous submission rate respectively.

The submission of exception reports for the month of March 2020 was extended from the 15th April 2020 to the 15th May 2020 due to Covid-19 and national-wide lockdown and only four (4) provinces managed to submit their exception report for the month of March 2020 on or before the 15th of May 2020. Some provincial departments failed to submit their exception reports for the month of March 2020 to the relevant provincial treasury for consolidation and this is notable in the consolidated exception report from Mpumalanga provincial treasury in which is indicated that information was not received from eight (8) provincial departments due to national wide lockdown.

5. Provincial Departments: Analysis of Exception Reports

Graph 9 below provides a month to month comparative analysis of the number of invoices paid after 30 days during the 2019/2020 financial year when compared to the 2018/2019 financial year.



The graph above indicates that the total number of invoices paid after 30 days by provincial departments from April 2019 to March 2020 amounted to 278 232 and this represents an improvement of 2 108 or 1% of the invoices when compared to the number of invoices paid after 30 days for the period from April 2018 to March 2019 for the 2018/2019 financial year which amounted to 280 340 invoices.

The annual average number of invoices paid after 30 days for the period April 2019 to March 2020 (2019/2020 financial year) amounted to 23 186 invoices and this indicates an improvement of 176 or 1% when compared to the annual average number of invoices paid after 30 days for the period April 2018 to March 2019 (2018/2019 financial year) which amounted to 23 362 invoices.

Table 9 below indicates the improvement or regression by provinces in the number of invoices paid after 30 days during the 2019/2020 financial year when compared to the 2018/2019 financial year.

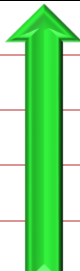

Table 9: Provincial Departments				
Improvement OR Regression in the Number of Invoices Paid After 30 Days				
Provincial Treasury	Annual Number of Invoices Paid After 30 Days			
	2019/2020	2018/2019	%	Improvement/Regression
Limpopo	29,763	16,956	43%	
Gauteng	90,672	59,269	35%	
Northern Cape	8,366	6,697	20%	
North West	53,280	50,658	5%	
Kwazulu-Natal	24,763	24,474	1%	
Free State	9,068	9,810	-8%	
Eastern Cape	57,706	92,457	-60%	
Western Cape	2,259	5,928	-162%	
Mpumalanga	4,476	11,983	-168%	

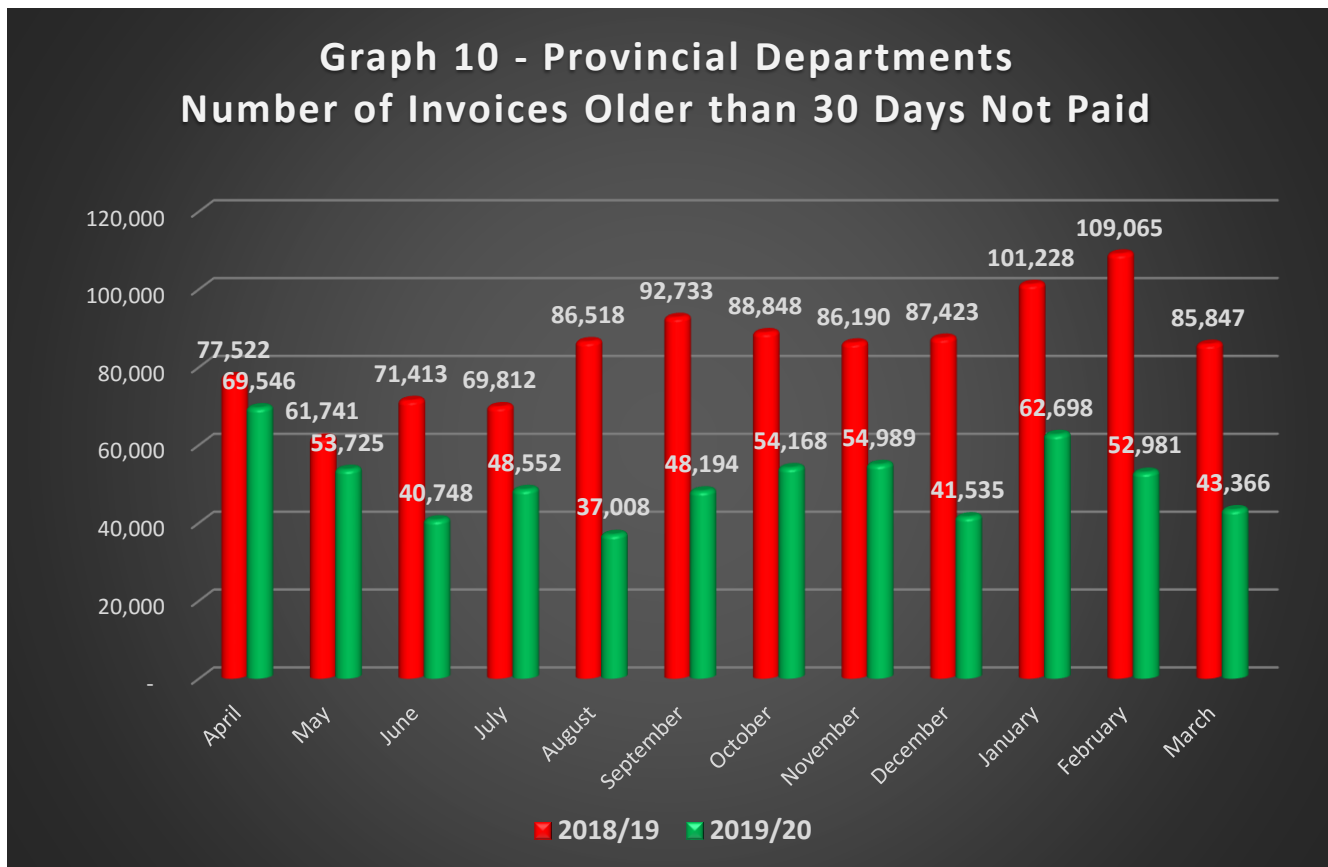
Table 9 above indicates that during the 2019/2020 financial year, five (5) provinces recorded an improvement in the number of invoices paid after 30 days, and four (4) provinces showed a regression when compared to the 2018/2019 financial year.

Limpopo recorded the highest improvement with regard to number of invoices paid after 30 days for the 2019/2020 financial year which amounted to 43% when compared to number of invoices paid after 30 days in 2018/2019 financial year.

Mpumalanga recorded the highest regression with regards to number of invoices paid after 30 days for the 2019/2020 financial year which amounted to 168% when compared to the number of invoices paid after 30 days in 2018/2019 financial year.

It is also important to highlight that Gauteng recorded the highest number of invoices paid after 30 days for the 2019/2019 financial year which amounted to 59 269 invoices. The Western Cape recorded the least number of invoices paid after 30 days for the 2019/2020 financial year which amounted to 5 928 invoices.

Graph 10 below provides a month to month comparative analysis of the **number of invoices older than 30 days and not paid** in 2019/2020 financial year when compared with the 2018/2019 financial year.



Graph 10 above indicates that the number of invoices older than 30 days which remained unpaid by provincial departments at the end of the 2019/2020 financial year amounted to 43 366 invoices and this represents an improvement of 42 481 invoices or 49% when compared to the number of invoices older than 30 days and not paid at the end of 2018/2019 financial year which amounted to 85 847 invoices.

It is evident from the above graph that from the month of August 2019, the number of invoices older than 30 days and not paid regressed significantly and this was due to budgetary constraints (as indicated by provinces) which led to provincial departments holding on to received invoices until the new financial year so that outstanding invoices could be settled from the budgets of the following financial year.

Table 10 below indicates the improvement and regression by provinces in the number of invoices **older than 30 days** and unpaid at the end of 2019/2020 financial year when compared to 2018/2019 financial year.

Table 10: Provincial Departments				
Improvement OR Regression in the number of invoices older than 30 days and not paid				
Provincial Treasury	Number of invoices older than 30 days and not paid			
	2018/2019	2019/2020	%	Improvement/Regression
Mpumalanga	157	0	100%	
Limpopo	4,296	20	100%	
Kwazulu-Natal	1,751	133	92%	
Gauteng	36,841	5,762	84%	
Western Cape	29	7	76%	
Northern Cape	9,646	6,932	28%	
Eastern Cape	26,908	23,795	12%	
Free State	1,808	1,775	2%	
North West	4,411	4,942	-12%	

The table above indicates that eight (8) provinces recorded an improvement with regards to the number of invoices older than 30 days and not paid at the end of the 2019/2020 financial year, with only one (1) province recorded a regression in the number of invoices older than 30 days and not paid at the end of 2019/2020 when compared to the number of invoices older than 30 days and not paid at the end of 2018/2019 financial year.

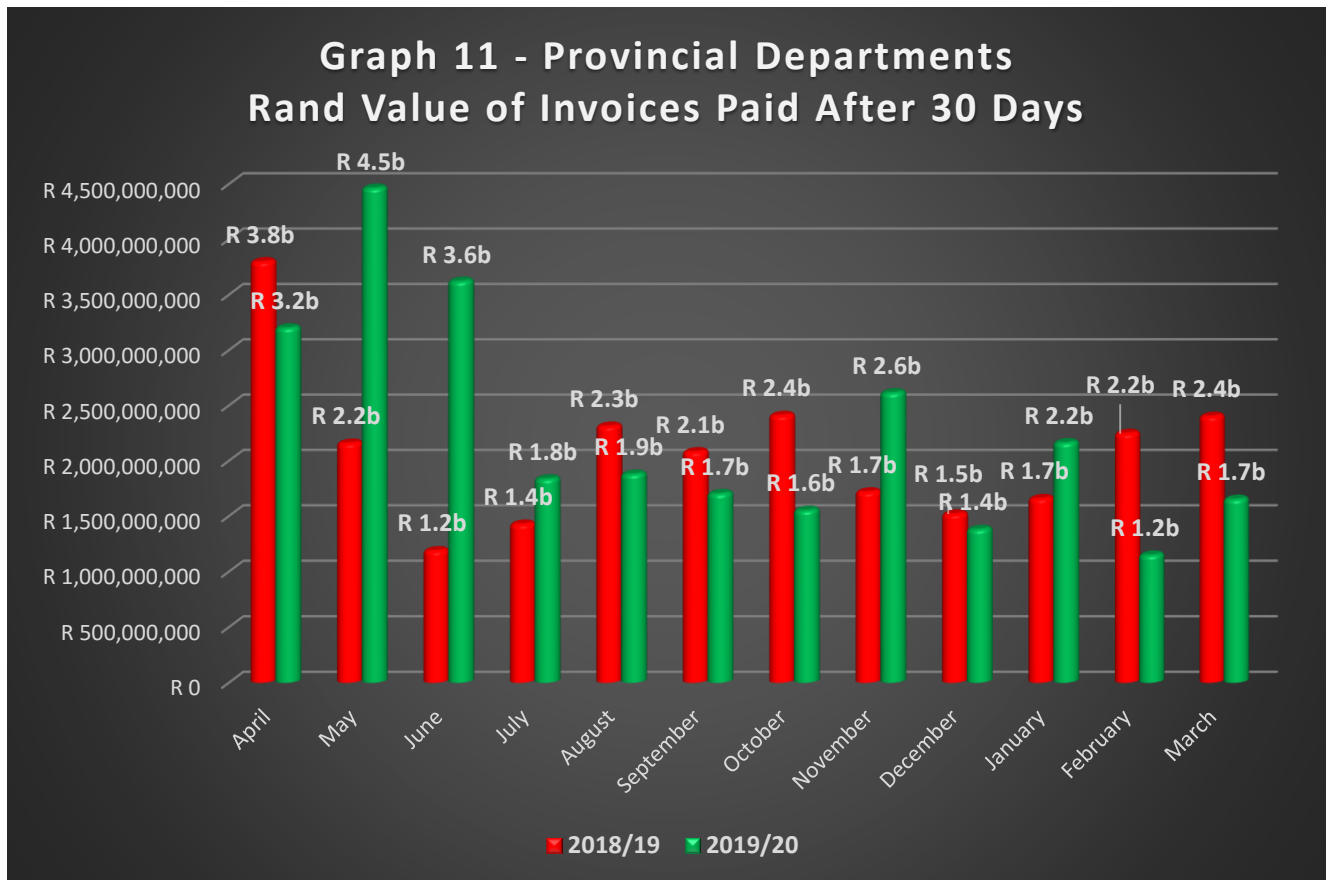
Mpumalanga provinces recorded no invoices older than 30 days and not paid at the end of 2019/2020 financial year, and it should be noted that 8 provincial departments in Mpumalanga didn't submit their exception for the month of March 2020 due to national-wide lockdown and this has a negative impact on the completeness of the information reported by Mpumalanga provincial treasury during the month of March 2020.

Limpopo recorded the highest improvement with regards to the number of invoices older than 30 days and not paid at the end of the 2019/2020 financial year which amounted to 100% or 20 invoices when compared to the number of invoices older than 30 days and not paid at the end of 2018/2019 financial year which amounted to 4 296 invoices.

North West is the only province that recorded a regression 12% or 4 942 invoices older than 30 days and not paid at the end of the 2019/2020 financial year when compared to the number of invoices older than 30 days and not paid at the end of 2018/2019 financial year which amounted to 4 411.

Eastern Cape recorded the highest number of invoices older than 30 days and not paid at the end of 2019/2020 financial year which amounted to 23 795 invoices whilst the Western Cape also recorded the least number of invoices older than 30 days and not paid at the end of 2019/2020 financial year which amounted to 7 invoices.

Graph 11 below provides a month to month comparative figures of the **Rand value** of invoices **paid after 30 days** during the 2019/2020 financial year when compared with the 2018/2019 financial year.



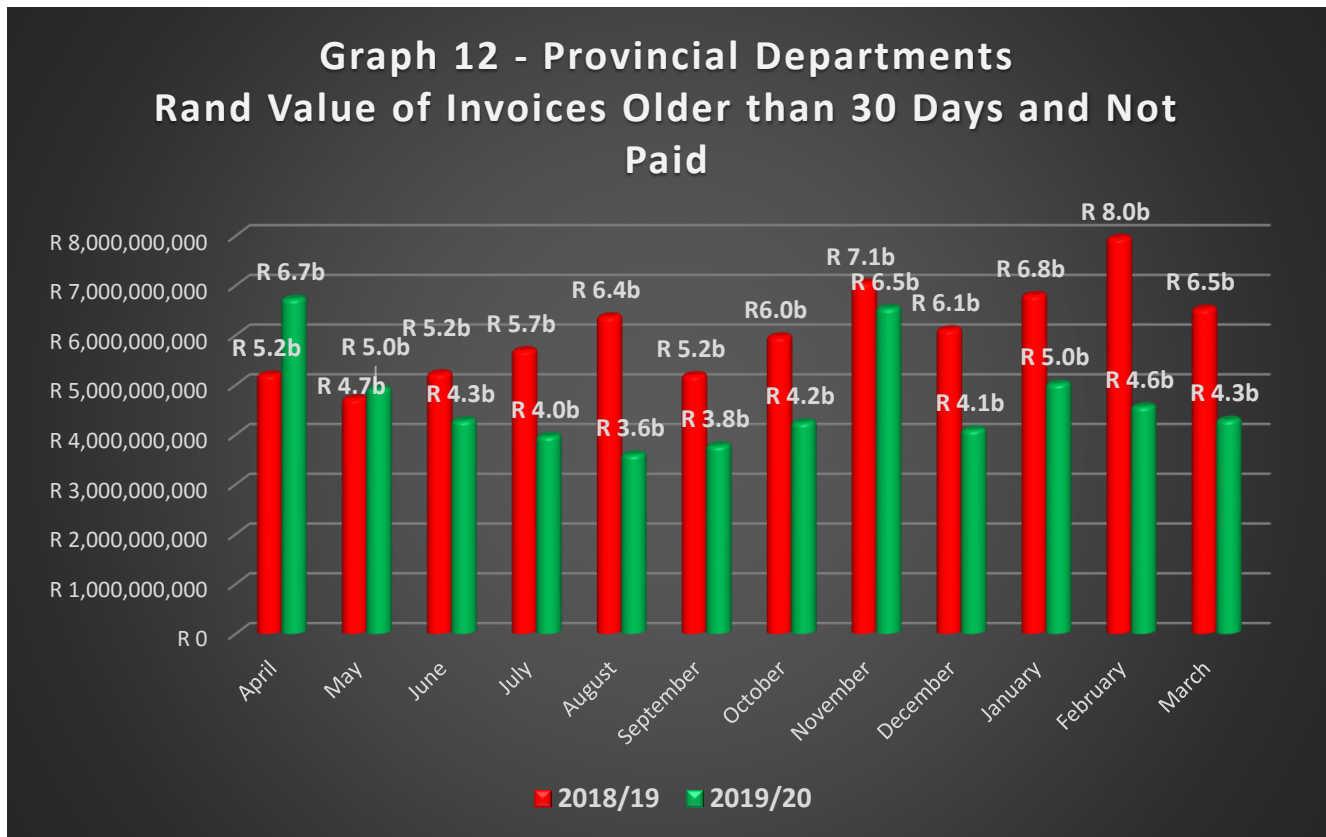
The graph above indicates that the total Rand value of invoices paid after 30 days by provincial departments during 2019/2020 financial year amounted to R 27.2 billion and this represents a regression of R 2.3 billion or 9% when compared to the total Rand value of invoices paid after 30 days in 2018/2019 financial year which amounted to R 24.9 billion.

The annual average Rand value of invoices paid after 30 days by provincial departments in 2019/2020 financial year amounted to R 2.3 billion and this represents a regression of R 200 million or 10% when compared to the R 2.1 billion recorded in 2018/2019 financial year.

Eastern Cape reported the highest Rand value of invoices paid after 30 days during 2019/2020 financial year which amounted to R 10 billion or 37% of the total rand value of invoices paid after 30 days by provincial departments, Gauteng reported the second highest Rand value which amounted to R 5.3 billion or 20% of the total rand of invoices paid after 30 days during the same period.

Western Cape had the least Rand value of invoices paid after 30 days during 2019/2020 financial year which amounted to R 219 million or 1% of the total Rand value and, Northern Cape reported the second least Rand value which amounted to R 547 million or 2% of the total Rand value during the same period.

Graph 12 below provides a month to month comparative figures of the **Rand value** of invoices **older than 30 days and not paid** during the 2019/2020 financial year when compared with the 2018/2019 financial year.



The graph above indicates the Rand value of invoices older than 30 days and not paid at the end of 2019/2020 financial year amounted to R 4.3 billion and this represents an improvement of R 2.2 billion or 34% when compared to the Rand value older than 30 days and not paid which amounted to R 6.5 billion recorded at the end of 2018/2019 financial year.

Eastern Cape reported the most Rand value of invoice older than 30 days and not paid at the end of 2019/2020 financial year which amounted to R 2.5 billion or 58% of the total rand value of invoices older than 30 days and not paid by provincial departments. Gauteng reported the second highest Rand value of invoices older than 30 days and not paid which amounted to R 548 million or 13% in the same period.

Western Cape reported the least Rand value of invoices older than 30 days and not paid at the end of 2019/2020 financial year which amounted to R 359 thousand, and Limpopo reported the second least Rand value of invoices which amounted to R 1 million during the same period.

Mpumalanga reported that had no invoices older than 30 days and not paid at the end of 2019/2020 financial year, however the completeness of the information reported by Mpumalanga was compromised since was indicated that eight (8) provincial department didn't submit the report for the month of March 2020 due to national wide lockdown.

Table 11 below indicates a quarterly comparative analysis of the number and Rand Value of invoices not paid within 30 days by provincial departments during the 2019/2020 financial year.

Table 11: Provincial Departments – Quarterly comparative analysis of invoices not paid within 30 days

Quarter	Invoices Paid after 30 days		Invoices older than 30 days and not Paid	
	Number	Rand Value	Number	Rand Value
Quarter 1	100,708	R 11.2 billion	40,748	R 4.3 billion
Quarter 2	61,854	R 5.4 billion	48,194	R 3.8 billion
Quarter 3	55,505	R 5.5 billion	41,535	R 4.1 billion
Quarter 4	60,165	R 4.9 billion	43,366	R 4.3 billion
Total	278,232	R 27 billion	173,843	R 16.5 billion

The table above indicates that provincial departments recorded 278 232 invoices which were paid after 30 days to the Rand value of R 27 billion in 2019/2020 financial year, and during the first quarter of 2019/2020 financial year, provincial departments recorded the highest number of invoices paid after 30 days which amounted to 100 708 invoices or 36% of the total number of invoices paid after 30 days to the rand value of R 11.2 billion.

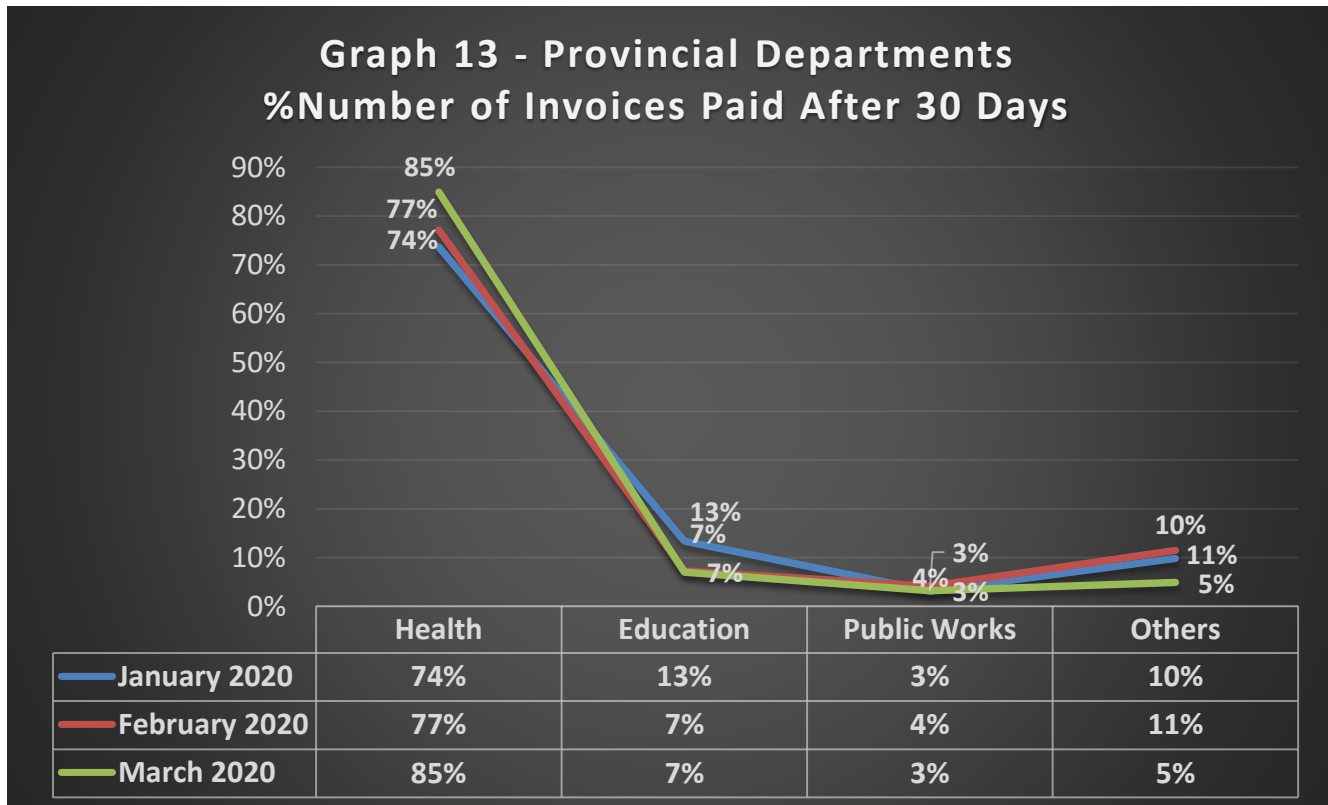
Provincial departments reported the lowest number of invoices paid after 30 days during the third quarter of 2019/2020 financial year which amounted to 55 505 invoices or 20% of the total number of invoices paid after 30 days to the Rand value of R 5.5 billion.

Provincial departments reported the second lowest number of invoices paid after 30 days during the fourth quarter of 2019/2020 financial year which amounted to 60 165 invoices or 22% of the total number of invoices paid after 30 days to the Rand value of R 4.9 billion.

During the second quarter of 2019/2020 financial year, provincial departments recorded the second highest number of invoices paid after 30 days which amounted to 61 854 invoices or 22% of the total number of invoices paid after 30 days to the rand value of R 5.4 billion.

The table further indicates that at the end of the first quarter of 2019/2020 financial year, provincial departments recorded lowest number of invoices older than 30 days and not paid which amounted to 40 748 invoices to the rand value of R 4.3 billion, the figure regressed at the end of the second quarter of 2019/2020 financial year to 48 194 invoices to the rand value of R 3.8 billion. And at the end of the third quarter of 2019/2020 financial year, the number of invoices older than 30 days and not paid improved to 41 535 invoices to the rand value of R 4.1 billion. At the end of the last quarter of 2019/2020 financial years, provincial departments recorded the second highest number of invoices older than 30 days and not paid which amounted to 43 366 invoices to the Rand value of R 4.3 billion.

Graph 13 below provides a comparative provincial sector analysis on the level of compliance with regard to number of invoices paid after 30 days during the last quarter of the 2019/2020 financial year.



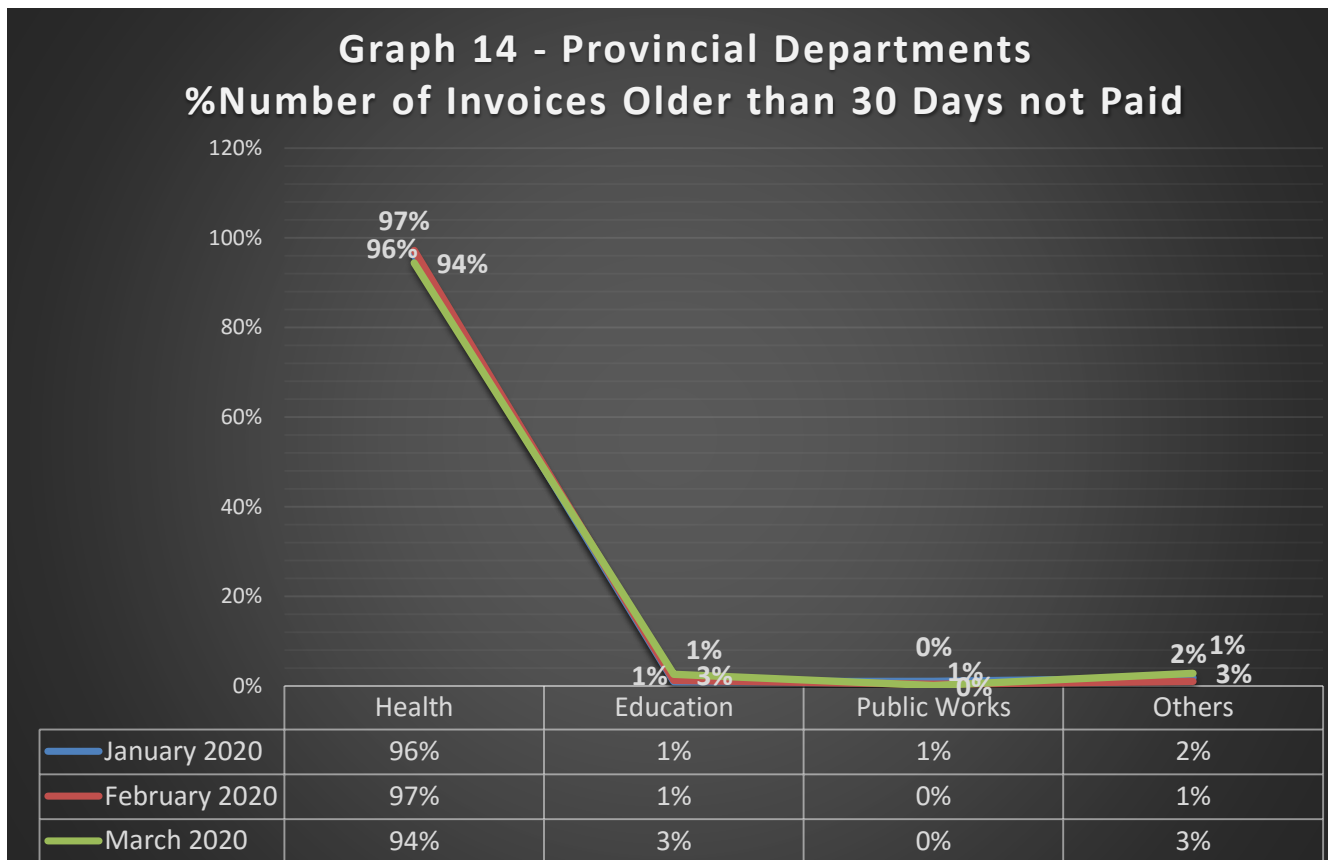
The graph above indicates that during the last quarter (January 2020 to March 2020) of 2019/2020 financial year, the bulk of invoices paid after 30 days by provincial departments were predominantly held by provincial departments of Health with an average of 79% of the invoices paid after 30 days in the last quarter.

The Health sector contributed 74% or 18 131 of invoices paid after 30 days during the month of January 2020, and for the month of February 2020, the sector contributed 77% or 10 579 invoices which was an improvement of 42% or 7552 invoices when compared to the month of January 2020. The sector further contributed 85% or 18 558 invoices for the month March 2020 indicating a regression of 75% or 7 979 invoices when compared to the month of February 2020.

The Education sector contributed an average of 9% of the number of invoices paid after 30 days during the last quarter of 2019/2020 financial year, in January 2019, this sector contributed 13% or 3 283 invoices, and for the month of February 2020, the sector contributed 7% or 995 invoices, indicating an improvement of 70% or 2 288 invoices when compared to the month of January 2020. The sector contributed 7% or 1 538 for the month of March 2020, indicating a regression of 55% or 543 invoices when compared to the month of February 2020.

Public Works contributed an average of 3% of the number of invoices paid after 30 days in the last quarter of 2019/2020 financial year. This sector contributed 3% of the invoices paid after 30 days during the month of January 2020 and, during the month of February 2019, the sector contributed 4% of the invoices and for the month of March 2020, the sector contributed 3% of the invoices paid after 30 days.

Graph 14 below provides a comparative provincial sector analysis on the level of compliance with regard to number of invoices older than 30 days and not paid during the last quarter of the 2019/2020 financial year.



The graph above indicates that during the last quarter (January to March) of 2019/2020 financial year, the bulk of invoices older than 30 days and not paid by provincial departments were predominantly held by the Health sector which contributed 94% or 40 955 invoices of the invoices older than 30 days and not paid at the end of March 2020.

The Education sector contributed 3% or 1 123 invoices of the invoices older than 30 days and not paid by provincial departments at the end of March 2020.

Public Works sector contributed 59 invoices of the invoices older than 30 days and not paid by provincial departments at the end of March 2020.

Other provincial departments other than provincial health departments, education departments and public works departments contributed 3% or 1 229 invoices of the invoices older than 30 days and not paid by provincial departments at the end March 2020.

The enclosed **Annexure B** provides detailed comparative information on the level of compliance with the requirement to pay invoices within 30 days per provincial for the 2019/2020 and 2018/2019 financial years.

Section C

6. Common Reasons Provided for the Late and/or Non-Payment of Invoices

Table 12 below represents common reasons provided by national and provincial departments for the late and/or non-payment of invoices during 2019/2020 financial year:

REASONS PROVIDED	ROOT CAUSES IDENTIFIED	RECOMMENDATIONS TO REMEDY CAUSES OF LATE AND/OR NON-PAYMENT
Misfiled, misplaced or unrecorded invoices.	<p>Lack of internal controls measures to track invoices from a receipt to a payment point.</p> <p>Lack of capturing invoices as they are received</p>	<ul style="list-style-type: none"> • Develop and implement internal controls to track movement of invoices from date of receipt to a date of payment. • Ensure that there is sufficient capacity to record all invoices as they are received and track any outstanding payments timeously. • Take disciplinary actions against officials who undermines internal controls and commit fruitless and wasteful expenditure as some these late payments may be interest bearing.
Inadequate budget and/or cash flow management.	<p>Poor budgeting and lack of alignment between the budget and procurement plans.</p>	<ul style="list-style-type: none"> • Departments should perform a review of their budget from different cost centres on a regularly or monthly to ensure that funds remain within the allocated budget. • Departments should limit their spending to availability of budgeted funds and annual procurement plans, and no procurement should be processed without confirming the availability of funds. • Departments should avoid committing funds where budgets are not available.
Inadequate internal capacity.	<p>Lack of human capacity within the departments.</p>	<ul style="list-style-type: none"> • Departments should fast track recruitment processes and not leave critical positions vacant for lengthy periods. • Vacancy rates in Finance Divisions should not exceed 5% at any given time. • Skilled and competent staff should be appointed to address the internal control system in this area, such as invoice tracking system, tracking of goods delivered or services rendered against correct orders and ensuring that the quantity and quality of goods and services to be received and received are in line with ordered

		goods/services and ensure that payment of supplier's invoices are made timeously.
IT system issues (BAS, Logis and SafetyWeb, etc.).	Slow systems, "hanging" and generation of system errors.	<ul style="list-style-type: none"> • Departments should initiate payment processes on time to avoid late payments when there are system errors. • Departments should regularly and timeously report repeated system errors to the Chief Directorate at National Treasury responsible for financial systems.
Standard Chart of Account (SCoA) related system problems.	Changes in coding of items used for classification, budgeting, recording of revenue and expenditure within the accounting system in order to facilitate the recording of all transaction affecting assets and liabilities.	<ul style="list-style-type: none"> • System users should attend training sessions provided by National Treasury on SCoA changes and proactively implement the relevant changes to avoid problems with codes when they become effective. • Employees must also refer to the circulars and guidelines provided by National Treasury and/or consult the National Treasury for any clarity on any issued directives.
Unresolved invoice discrepancies	Suppliers submitting incorrect and/ or invalid invoices	<ul style="list-style-type: none"> • Invoices should be verified for correctness when received from suppliers before they are accepted, recorded and processed for payment. • Incorrect/ invalid invoices should be returned to suppliers immediately for rectification of any discrepancies. • Suppliers should be made aware that these invoices are regarded as not received until they are rectified and re-submitted. • Disputed or invalid invoices should not be included in the exception reports submitted to the National Treasury as they distort the accuracy of information.
Incomplete supporting documents.	Lack of understanding by suppliers of how to complete invoices and what should be attached to the invoice.	<ul style="list-style-type: none"> • Departments should provide checklists to suppliers of what should be attached to a valid invoice to ensure completeness of all the necessary documentation.

In addition to the common reasons provided in the table above by national and provincial departments for late and/or non-payment of invoices within 30 days during the 2019/2020 financial year, departments also indicated that there were delays in processing and paying some invoices that were received in March 2020 due to the national state of disaster and nation-wide lockdown announced by the President of the Republic due to Covid-19 pandemic. It is also worthy to mention that some of the reasons provided by departments are similar to those provided in the 2018/2019 financial year. It is therefore concerning that departments have not appropriately addressed their internal control deficiencies identified in the 2018/2019 financial year which has resulted in the control environment not being addressed for the 2019/2020 financial year.

Section D

7. Interventions and Initiatives on payment of invoices within 30 days

Non-payment of invoices: Queries received from suppliers

The Department of Planning Monitoring and Evaluation (DPME) continued to receive and attend to cases of non-payment of invoices by government institutions from different suppliers during 2019/2020 financial year to investigate cases of non-payment of legitimate invoices by government institutions, identify root causes, facilitate the payment process of invoices with relevant departments and report on progress of these cases.

In July 2019, the DPME wrote a letter to the National Treasury transferring the function of assisting suppliers with queries related to late or non-payment by public sector institutions. This function has been taken by the Office of the Chief Procurement Officer working with the Office of the Accountant-General.

Visits to provincial department of Health

The National Treasury in collaboration with DPME visited all provincial departments of Health and some provincial department of Education at the beginning of the second quarter of 2019/2020 financial year as these provincial departments were responsible for the bulk of invoices not paid within 30 days at the end of the 2018/19 financial year and the reason for the visits was to understand challenges that are faced by these departments in paying legitimate invoices within 30 days. Provincial departments were requested to prepare a presentation on the challenges that are facing the departments in paying legitimate invoices within 30 days and device action plans to address identified challenges and improve compliance levels.

Roadshow to provinces by the Deputy Minister of Finance

The Deputy Minister of Finance, Dr David Masondo, accompanied by relevant National Treasury officials embarked on roadshows in certain provinces during the third quarter of 2019/2020 financial year and the roadshows were intended to engage provincial and local government leaders on issues relating to the application of prudent fiscal control measures in light of the constraints detailed in the budget speech as well as encouraging government departments at various levels to adhere to commitments made on payment of invoices within the stipulated 30-day period as a critical element to support SMMEs who do business with the state.

The Deputy Minister's roadshow began in Limpopo in October 2019, and met with the leadership of Limpopo provincial Treasury and Polokwane Municipality, and the roadshow moved to Kwa-Zulu Natal province in November 2019 and met with the leadership of KZN Provincial Treasury, provincial department of Health, Msunduzi Municipality and eThekweni Municipality.

Joint Health Action Plan Workshop

The last joint Health action plan Workshop was held at the National Treasury in the second quarter of 2019/2020 financial year to discuss progress made since the last workshop on the identified areas such as Financial Management, HR Management, Medico-Legal claims, Supply Chain Management and Infrastructure

A joint health action plan which was developed by the National Treasury and National Department of Health to address some of the challenges that exist within the health sector in areas of financial management, human resource management, infrastructure, increasing medico legal claims and improving quality of healthcare.

Accrual Management Strategies: an escalating number of accruals within the health sector remains a big problem for the health sector that also threatens the financial stability of existing suppliers doing business with this sector. Interventions such as better alignment of procurement plans with budget, and cash flow projections should be considered to ensure that these problems are manageable through effective and working financial management processes. Furthermore, it is very important that both Provincial Treasuries and the PDOHs work together in developing strategies to deal with this escalating problem as it remains a serious threat to the entire health sector.

Management of Medico Legal: Medico-legal claims remains a big fiscal risk that threatened the sustainability of the Public health system in the country. Therefore, this problem requires a sectorial approach in order to deal with the systematic challenges that currently exist such as record keeping and information security as well as the amendment of state liability act by the National Department of Health.

Supply Chain Management in Health sector: The presidential health summit emphasised the need to prioritise a centralised and standardised procurement system and processes at national and provincial level to deal with corruption, economy of skills and scale.

HR Planning, Budgeting and Controls: Use of an Approved Post List: Human resource planning, budgeting and controls remain a big challenge within the health sector with the bulk of expenditure being consumed by compensation of employees which often leaves little for the procurement of critical non-negotiable items such as medicines and medical suppliers

Section E

8. Conclusion

The non-compliance with the late and non-payment of invoices within 30 days is still high at both national and provincial departments, although there is some notable improvement by some departments especially at the national department with the level of compliance with the requirements to pay invoices within 30 days. Based on the analysis in this annual report, there is a regression in the number of invoices paid after 30 days and improvement in the number of invoices older than 30 days and not paid by national and provincial departments when comparing information in respect of the 2019/2020 financial year with that of the 2018/2019 financial year, however, the number of invoices not paid timeously is still relatively high.

The main contributors at the national level in the number of invoices paid after 30 days and number of invoices older than 30 days and not paid in 2019/2020 financial years is the Justice and Protection Services cluster and the Central government cluster respectively and this is mainly due to, amongst others, inadequate internal capacity, ineffective internal controls and processes as well as budgetary constraints.

The main contributors at the provincial level regarding the late and/or non-payment of invoices are the Departments of Health and during provincial visit to provincial health departments, it was clear that medico-legal claims, inefficiency and administrative challenges are the main cause for provincial Health departments struggling to pay legitimate invoices within 30 days.

The National Treasury recommends stakeholders to note the following:

- the impact of late or non-payment invoices has on the sustainability of the SMMEs, improving unemployment, job creation and inequality;
- initiative undertaken by the National Treasury and other relevant internal and external stakeholders to improve the level of compliance with the requirements to pay invoices within 30 days by national and provincial departments;
- a regression in the number of invoices paid after 30 days and an improvement in the number of invoices older than 30 days and not paid by national and provincial departments in 2019/2020 financial year;
- the number and Rand value of invoices paid after 30 days and the number and Rand value of invoices older than 30 days and not paid are still relatively high in both national and provincial departments in 2019/2020 financial year; and
- common reasons provided by national and provincial departments on late and non- payment of invoices in 2019/2020 financial year.

Resolve that: -

- Payment of invoices within 30 days be included in the performance agreements of accounting officers of each department;
- Accounting officers take disciplinary action against officials who fail to comply with the requirements to pay invoices within 30 days and who undermines the systems of internal control;
- Accounting officers take steps to ensure that the information to be submitted to the relevant treasury is duly signed off and submitted to the relevant treasury in accordance with the timeframes stipulated in Instruction Note number 34;
- Accounting officers to analyse the reasons provided for late and non-payment of invoices and institute investigations for financial misconduct, where necessary;
- Payment of suppliers within 30 days be a standing agenda item for discussion at every EXCO meeting of Departments; and
- Accounting officers should develop or improve internal control processes to ensure compliance with the legislative requirement to invoices within 30 days.

Approved by:



Moipone Ramoipone

Acting Chief Director: Governance Monitoring and Compliance

National Treasury

Phone: 012 315 5482



2019/20
**ANNUAL
REPORT**

NON-COMPLIANCE
WITH PAYMENT OF
SUPPLIERS WITHIN

30 DAYS

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel: +27 12 315 5757 | Fax: +27 12 315 5126

Web: www.treasury.gov.za



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA