

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 3003 [NW3831E]

3003. Mr G G Hill-Lewis (DA) to ask the Minister of Finance:

- (1) With reference to the 2019-20 Annual Report of the Financial and Fiscal Commission, what are the reasons that payments were not made within 30 days or an agreed period after receipt of an invoice, as required by the National Treasury regulation 8.2.3;
- (2) what are the reasons that effective and appropriate steps were not taken to prevent irregular expenditure amounting to R46 761, as disclosed in note 20 of the financial statements, as required by section 38(1)(c)(ii) of the Public Finance Management Act, Act 1 of 1999 and the National Treasury Regulation 9.1.1?

NW3831E

REPLY:

- (1) The late payment of invoices during 2019/20 financial year is due to various reasons, which include circumstances where the FFC had to perform reconciliation on disputes raised with the suppliers. Controls have been strengthened wherein on a weekly basis, as opposed to monthly, the supplier age analysis is generated to enable the weekly payment of suppliers, which allows ample opportunities to resolve issues. Where the internal controls are not adhered to, resulting in late payment and interest charged by a service provider, steps have been taken against staff as part of consequence management to achieve compliance and to manage such performance of staff.
- (2) The expenditure in question is relates to the remuneration of the FFC Chairperson which dates back to the time of appointment of the late Chairperson, wherein there was a difference between the remuneration and the salary determination by the Independent Commission for Remuneration of Public Office Bearers, as ascertained to by the President. In respect of this amount, the contributing factor is the delay in the proclamation of salaries of office-bearers for 2019/20, which potentially might have rendered this amount not to be unauthorised. In July 2020, the FFC sought condonation of this expenditure from National

Treasury and to date has not receive an outcome, although making follow-ups. A further request for condonation in this regard, for the period 1 April 2020 to 10 October 2020 and amounting to R23,000, was made in November 2020 and we equally await feedback. Should the condonation be approved, as was the case for such amounts in the prior financial years, this irregular expenditure would be resolved and this would be removed from the disclosure note and reflected in the annual financial statements for the 2020/21 financial year.