

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 152 [NW167E]

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Mr J F Smalle (DA) to ask the Minister of Finance:

- (1) With respect to outstanding payments to service providers by the Limpopo Government (that resulted in interventions by National government), for each service provider to which money is owed, (a) what are the relevant details of this service provider, (b) what is the value of the outstanding amount and (c) for how long has these amounts been outstanding;
- (2) whether any of the service providers have had to close down as a result of the specified non-payment; if so, (a) which service providers and (b) what steps does his department intend to take to remedy the situation in each case?

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REPLY:

- (1) The intervention in Limpopo came was caused by cash crisis. The biggest short term impact of the crisis was the risk of inability to pay salaries. The Province was paying service providers 8 times in a month and the frequency of payments did not provide for an opportunity for proper verification, nor did it permit proper management of cash. Every effort is made to pay service providers within 30 days. However, payments to service providers must be substantiated with proper documentation as required in law. Therefore any service provider that claims to have delivered a service and is waiting for payment will be subjected to the appropriate verification processes as outlined both in the Treasury Regulations as well as the service agreement between the supplier and the provincial government. (a),(b) and (c) Given the fact that these processes are ongoing the list of outstanding payments is being continuously reduced.
- (2) National Treasury is not aware of any service providers that may have closed down and the reasons (should there be any) might not be directly related to the section 100 processes.