

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 3324 [NW3913E]
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3424. Mr R W T Chance (DA) to ask the Minister of Finance:

- (1) What steps has the National Treasury taken to ensure that (a) government departments and (b) government entities pay their suppliers on time;
- (2) whether a certain person (details furnished) issued directives instructing (a) departments and (b) entities to pay suppliers timeously; if not, why not; if so, (i) by what date and (ii) to which departments and institutions were the directives issued;
- (3) whether accounting officers of government departments faced (a) criminal and/or (b) disciplinary actions against them related to the late payments of suppliers (i) in the (aa) 2016-17 and/or (bb) 2017-18 financial years and/or (ii) since 1 April 2018; if not, why not; if so, what are the relevant details in each case?

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REPLY:

- (1) In terms of section 38(1)(a)(f) of the PFMA, the accounting officer of a department, trading entity of constitutional institution must settle all contractual obligations and pay all money owing including intergovernmental claims within the prescribed or agreed period.

Treasury Regulation 8.2.3 also requires accounting officers of departments to settle all payments due to creditors within 30 days from receipt of an invoice, unless determined otherwise in a contract or other agreement.

To this end, National Treasury issued SCM Instruction Note 5 of 2016/17 to address outstanding payments due to suppliers/creditors exceeding 30 days after submission of valid invoices for all PFMA complying institutions.

In terms of section 65(2)(e) of the MFMA, the accounting officer must take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement unless prescribed otherwise for certain categories of expenditure. To effect this provision, National Treasury issued MFMA Circular 49 of 2009 applicable to all municipalities.

National Treasury continues to support Department of Monitoring, Planning and Evaluation (DPME) in monitoring payment of suppliers.

- (2) (a) Yes
 - (b) Yes
 - (b)(i) 26 March 2018
 - (b)(ii) departments, constitutional institutions, public entities, municipalities and municipal entities.
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- (3) (a) We do not have this information.
 - (b) We do not have this information.
 - (i) (aa) We do not have this information.
 - (i) (bb) We do not have this information.
 - (ii) We do not have this information. The DPME is responsible for coordination of this information.