

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**3566. Ms S V Kalyan (DA) to ask the Minister of Defence and Military Veterans:**

(a) What is the total number of supplier invoices that currently remain unpaid by (i) her department and (ii) each entity reporting to her for more than (aa) 30 days, (bb) 60 days, (cc) 90 days and (dd) 120 days and (b) what is the total amount outstanding in each case? NW3994E

**REPLY**

**DEPARTMENT OF MILITARY VETERANS**

DMV strives to pay suppliers within 30 days. There was no recorded outstanding payment to SMMEs as at 31 October 2017. However, for well established companies, there is still a challenge with processing some of the invoices due to the following challenges at DMV:

* DMV is not yet using LOGIS (Logical Information System)
* Lack of a computerized system leads to lack of proper tracking system
* For travel related invoices, approvers are often out office leading to delays in the approval of invoices for payment (linked to manual approval processes).
* Lack of capacity to manage the volume of invoices related to Travel

As per the table below ***(DMV UNPAID INVOICES AS AT 31 OCTOBER 2017)***, challenging accounts are Vodacom, Travel with Flair and SITA. The challenge is historical backlog, however, the Department is working hard to resolve these.



Furthermore, as at 30 September 2017, DMV account with other Government Departments had an outstanding balance of R60.5m mainly related provisioning of healthcare Support by SAHMS (R50.5m) as well as the provisioning of Housing by Human Settlement (R10m).



**DEPARTMENT OF DEFENCE**

1. The response for the Department of Defence is as follow:
2. The number of verified and legitimate invoices that are currently (Report date: 8 Nov 2017) in possession and that remain unpaid within the Department of Defence are:

|  |  |  |  |
| --- | --- | --- | --- |
| **Ser** | **Category** | **Nr of Invoices** | **Rand Value** |
| (aa) | More than 30 Days | 30 | R1,344,559 |
| (bb) | 60 Days | 0 | R0 |
| (cc) | 90 Days | 5 | R14,683 |
| (dd) | 120 Days | 11 | R17,531 |
|  | **TOTAL NR OF INVOICES** | **46** | **R1,376,773** |

1. The main reasons for these invoices not paid relates to the invoices being received late and then the processes to verify the correctness forces the invoices into the category of more than 30 days. Invoices in the categories of 90 to 120 days mostly relates to invoices where the verification process to confirm legitimacy takes longer due to disputes and geographical location of some units. It remains critical that all controls are continuously exercised to ensure that only verified legitimate invoices are paid.

**MILITARY OMBUD**

The Office of the Military Ombud has one (1) invoice under Item 20, Serial Number 20018925 (Food & Drinks: Office and Meetings) valued at **R15,667.80** that has not been paid for more than sixty (60) days.