**ANNEXURE A**

**NATIONAL DEPARTMENTS: REASONS FOR NON–PAYMENT OF INVOICES**

| **Name of Department** | **December 2016** | **January 2017** |
| --- | --- | --- |
| Department of Agriculture, Forestry and Fisheries | **Reasons for late payment*** Administrative challenges
* Banking details not registered

**Reasons for non-payment*** Administrative challenges
 | **Reasons for late payment*** Administrative challenges
* Banking details not captured

 **Reasons for non-payment*** Administrative challenges
 |
| Department of Arts and Culture | **Reasons for late payment*** Payment approval was received after cut-off date
* Delay in the bank details verification

**Reasons for non-payment*** N/A- Nil return filed
 | **Reasons for late payment*** Payment approval was received after cut-off date for processing payments at year end.
* Invoices were received before the suppliers were verified on Safetyweb.

**Reasons for non-payment*** N/A- Nil return filed
 |
| Department of Basic Education | **Reasons for late payment*** Due to the volume of invoices received for the month
* Invoices delayed for approval

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/A- Nil return filed

**Reasons for non-payment*** N/A- Nil return filed
 |
| Department of Telecommunications & Postal Services | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** Incorrect banking details submitted by the supplier
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Cooperative Governance and Traditional Affairs | **Reasons for late payment*** Administrative delays due to various reasons (e.g. awaiting new tax clearance certificate and turnaround time for confirmation and certification of service delivered as well as incorrect banking details)

**Reasons for non-payment*** Administrative delays due to various reasons (e.g. awaiting new tax clearance certificate and turnaround time for confirmation and certification of service delivered as well as incorrect banking details)
 | **Reasons for late payment*** Administrative delays due to various reasons (awaiting new Tax Clearance Certificate, turn-around time for confirmation and certification of services delivered as well as incorrect banking details)

**Reasons for non-payment*** Administrative delays due to various reasons (awaiting new Tax Clearance Certificate and certification of services delivered as well as incorrect banking details)
 |
| Department of Correctional Services | **Reasons for late payment*** Transversal system error
* Rejection of suppliers banking details
* Use of invoice date instead of invoice receipt date
* Delay in resolving the system database errors on BAS and Logis
* Delay in time taken to resolve invoice differences between the department and the service providers

**Reasons for non-payment*** N/A-Nil return filed
 | **Reasons for late payment*** Transversal system error
* Rejection of supplier’s banking details
* Use of invoice date instead of invoice receipt date
* Delay in resolving the system database errors on BAS and Logis
* Delay in time taken to resolve invoice differences between the department and the service providers

**Reasons for non-payment*** N/A- Nil return filed
 |
| Department of Defence | **Reasons for late payment*** The legacy accounting system, FMS, various non-integrated stand-alone logistics and SCM accounting systems are the contributing factor to late payment of invoices

**Reasons for non-payment*** Insufficient funds
* Change of banking details
 | **Reasons for late payment*** Discrepancies between delivery notes and invoices
* Timely generating of Logistical Receipt Vouchers
* Delays in the registration of suppliers and availability of banking information
* Insufficient Funds as a result of price change since the placing of an order

**Reasons for non-payment*** Wrong items were delivered by the suppliers;
* Delays in internal processes
* Incorrect invoices
* Change and incorrect banking details
 |
| Economic Development Department | **Reasons for late payment*** N/A- Nil return filed

**Reasons for non-payment*** Unresolved SCM related queries
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Energy | **Reasons for late payment*** N/A- Nil return filed

**Reasons for non-payment*** N/A- Nil return filed
 | **Reasons for late payment*** N/A- Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Environmental Affairs | **Reasons for late payment*** N/A - Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Communications/ Government Communications and Information Systems | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-**payment* N/A-Nil return filed
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Health | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Invalid banking details

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Higher Education and Training | **Reasons for late payment*** Delay in submission of invoices for payment by delegated officials
* Awaiting suppliers banking details
* Unresolved invoice discrepancies

**Reasons for non-payment*** Awaiting suppliers banking details
 | **Reasons for late payment*** Delay in submission of invoices for payment by responsible managers
* Awaiting supplier banking details

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Home Affairs | **Reasons for late payment*** Disputed invoices
* System down times
* Incorrect banking details
* No funds available

**Reasons for non-payment*** Disputed invoices
* System down times
* Incorrect banking details
* No funds available
 | **Reasons for late payment*** Disputed invoices
* System down times
* Incorrect banking details
* Budget block

**Reasons for non-payment*** Disputed invoices
* System down times
* Incorrect banking details
* Budget block
 |
| Department of Human Settlements | **Reasons for late payment*** Inadequate internal capacity
* Delay in submission of invoices
* **Reasons for non-payment**
* N/A – Nil return filed
 | **Reasons for late payment*** Invoice delayed by IT
* Order was incorrectly created
* Invoices delayed at finance

**Reasons for non-payment*** Delays in Internal processes
 |
| Independent Police Investigative Directorate | **Reasons for late payment*** Invoices processed late due to the movement between provincial and national offices.

**Reasons for non-payment*** Invoices processed late due to the movement between provincial and national offices.
 | **Reasons for late payment*** Delay due to the movement of invoices between provincial and national offices and delay in the shifting of funds

**Reasons for non-payment*** Delay due to the movement of invoices between provincial and national offices
 |
| Department of International Relations and Cooperation | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/ - Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Justice and Constitutional Development | **Reasons for late payment*** Control measures against high volume and quality services.
* Invoices must be validated thoroughly to ensure that valid invoices are paid and good quality service is received before payment is made
* Delays in internal processes

**Reasons for non-payment*** Due to supplier changing name of the company and transcription contract renewal
* Incorrect billing for copy charges
* Invoices disputed for incorrect billing
* Invoices disputed for duplication
* Disputed invoice due to different amount from the contract amount
* Invoice received before services has been fully rendered
* Awaiting credit notes and delivery notes from supplier
 | **Reasons for late payment*** Control measures against high volumes and quality services
* Invoices must be validated thoroughly to ensure that valid invoices are paid and good quality service is received before payment is made
* Internal processes

**Reasons for non-payment*** Lack of supporting documents
* Disputed invoices
* Invoices received prior to services been fully rendered
* Invoice not in terms of the contract
* Awaiting credit notes form supplier for cancelled orders
 |
| Department of Labour | **Reasons for late payment*** Suppliers banking details were inactive
* System Errors
* Delay verification of banking details

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/A – Nil return not filed

**Reasons for non-payment*** Payment amount exceeded contract amount
 |
| Department of Mineral Resources | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| National Treasury | **Reasons for late payment*** System related problems
* Incorrect details on invoice

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Banking details not verified on CSD
* Invoice not signed by budget manager

**Reasons for non-payment*** System related error
 |
| Department of Planning Monitoring and Evaluation | **Reasons for late payment*** N/A-Nil return submitted

**Reasons for non-payment*** N/A-Nil return submitted
 | **Reasons for late payment*** N/A – Nil return submitted

**Reasons for non-payment*** N/A – Nil return submitted
 |
| Department of Police |  **Reasons for late payment*** Dispute with suppliers on invoice received

**Reasons for non-payment*** Credit notes higher in value than invoice – payment blocked
 | **Reasons for late payment*** Dispute with suppliers on invoices received

**Reasons for non-payment*** Credit note higher in value than the invoice
 |
| National School of Government | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A- Nil return filed
 |
| Department of Public Enterprises | **Reasons for late payment*** Unresolved SCM related queries

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Unresolved SCM related queries

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Public Service and Administration | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Office of the Public Service Commission | **Reasons for late payment*** Administrative

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Public Works and PMTE | **Reasons for late payment*** Capacity challenges
* Delays in verification of service rendered
* Complex business processes
* Delays in updating banking details
* Services rendered without an order
* Invoices delayed by line managers
* Disputed invoices

**Reasons for non-payment*** Capacity challenges
* Delays in verification of service rendered
* Complex business processes
* Delays in updating banking details
* Services rendered without an order
* Invoices delayed by line managers
* Disputed invoices
 | **Reasons for late payment*** Query on amortization of invoices
* Capacity challenges
* Outstanding documents
* Verification of services rendered
* Complex business process
* Delays in updating details
* Services rendered without an order
* Invoices delayed by line function
* Disputed invoices

**Reasons for non-payment*** Query on amortization of invoices
* Capacity challenges
* Outstanding documents
* Verification of services rendered
* Complex business process
* Delays in updating details
* Services rendered without an order
* Invoices delayed by line function
* Disputed invoices
 |
| Department of Rural Development and Land Reform | **Reasons for late payment*** Inadequate budget
* Cash flow management

**Reasons for non-payment*** Unresolved invoice discrepancies
* Timely approval of payments not done
 | **Reasons for late payment*** IT system issues
* Timely approval of payments not done

**Reasons for non-payment*** IT system issues
* Timely approval of payments
 |
| Department of Science and Technology | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Reasons not provided

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Social Development | **Reasons for late payment*** Insufficient funds

**Reasons for non-payment*** Litigation claims from the department of Justice to be certified by line managers
 | **Reasons for late payment*** Duplicate invoices
* Delay by line managers to certify invoices

**Reasons for non-payment*** Litigation claims from the department of Justice to be certified by line managers
* Invoice received not corresponding with an order issued
 |
| Department of Sport and Recreation South Africa | **Reasons for late payment*** Disputed Invoices

**Reasons for non-payment*** Dispute Invoice
 | **Reasons for late payment*** Disputed invoices

**Reasons for non-payment*** Dispute Invoices
 |
| Statistics South Africa | **Reasons for late payment*** N/A- Nil return filed

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Inadequate internal capacity
* IT system issues
* Escalation process in place not adhered to

**Reasons for non-payment*** Inadequate internal capacity
 |
| The Presidency | **Reasons for late payment*** Due to capacity constraints

**Reasons for non-payment*** Due to capacity constraints
 | **Reasons for late payment*** Due to capacity constraints

**Reasons for non-payment*** Due to capacity constraints
 |
| Department of Tourism | **Reasons for late payment*** Invalid banking details

**Reasons for non-payment*** N/A - Nil return filed
 | **Reasons for late payment*** The payment was delayed due to capturing of supplier’s bank account
* Non-Compliance with internal control procedures

**Reasons for non-payment*** N/A - Nil return filed
 |
| Department of Trade and Industry | **Reasons for late payment*** N/A-Nil return filed

**Reasons for non-payment*** N/A- Nil return filed
 | **Reasons for late payment*** N/A- Nil return filed

**Reasons for non-payment*** N/A- Nil return filed
 |
| Department of Transport | **Reasons for late payment*** N/A – Nil return filed

**Reasons for non-payment*** N/A- Nil return filed
 | **Reasons for late payment*** An official in the ministry was deployed to undertake official duties during the provincial youth summit and invoices were left unattended.

**Reasons for non-payment*** N/A- Nil return filed
 |
| Department of Water and Sanitation | **Reasons for late payment*** Budget related matters
* Bank details verification
* System challenges related
* Approval of invoices
* Delay by end users to send through invoices
* Insufficient funds

**Reasons for non-payment*** Budget related matters
* Bank details verification
* System related
* Approval of invoices
* Delay by end users to send through invoices
 | **Reasons for late payment*** GRV done late
* Lack of staff
* Approval by end users
* SAP system challenges
* Budget block check
* Insufficient funds
* Amendment of PO

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Women | **Reasons for late payment*** BAS system down due to technical matter
* Invoice delayed due to banking details
* Delay on submission of end-user

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Two invoices were delayed due to banking details verification
* Delay on submission of end-user
* Invoice delayed due to the finalization of internal processing of the invoice.

**Reasons for non-payment*** N/A – Nil return filed
 |
| Department of Military Veterans | **Reasons for late payment*** 99% of outstanding invoices relates to traveling agent.

**Reasons for non-payment*** N/A – Nil return
 | **Reasons for late payment*** This is due to Vodacom and Travel with Flair invoices backlog

**Reasons for non-payment*** Reasons not provided
 |
| Department of Small Business Development | **Reasons for late payment*** Due to human error

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Reasons not provided

**Reasons for non-payment*** N/A – Nil return filed
 |
| Office of the Chief Justice | **Reasons for late payment*** System downtime
* IT system issues

**Reasons for non-payment*** System downtime
* IT system issues
* Expired tax clearance certificate
 | **Reasons for late payment*** System downtime due to upgrade

**Reasons for non-payment*** Change in supplier banking details
* Late submission of banking details
* Payment rejection due to incorrect banking details
* Invoice not in line with order
* Invoice not signed for payment by delegated officials
 |
| National Prosecuting Authority | **Reasons for late payment*** Late submission by business units

**Reasons for non-payment*** N/A – Nil return filed
 | **Reasons for late payment*** Late submission by business units

**Reasons for non-payment*** N/A – Nil return filed
 |