**ANNEXURE A**

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

| **Name of Department** | **December 2016** | **January 2017** |
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| 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 |