**MEDIA STATEMENT**

**SMALL BUSINESS DEVELOPMENT COMMITTEE EXPRESSES DISPLEASURE WITH NON-COMPLIANCE WITH PFMA BY GOVERNMENT DEPARTMENTS**

**Parliament, Wednesday, 9 November 2022 –** The Portfolio Committee on Small Business Development has expressed its displeasure with the non-compliance with section 38(1)(f) of the Public Finance Management Act by national and provincial government departments.

The committee has condemned this non-compliance with the strongest terms after it heard about that from a briefing it received from the Public Service Commission on government departments’ failure to comply with 30-day payment regulation

Section 38(1)(f) of the Public Finance Management Act stipulates that the accounting officers must settle all contractual obligations and pay all monies owed within the prescribed or agreed period. The prescribed period in line with the National Treasury Regulation 8.2.3 is 30 days from receipt of an invoice.

The committee was dismayed to learn that 138 332 invoices to the value of R4.7 billion were paid after 30 days by national departments in the 2021/22 financial year. The committee also learned that 78 921 invoices to the value of R4.4 billion were paid after 30 days in the 2020/21 financial year.

With regards to provincial departments, 263 359 invoices to the value of R28.9 billion were paid after 30 days in the 2021/22 Financial year and 227 190 invoices to the values of R25.8 billion were paid after 30 days in the 2020/21 financial year.

The committee strongly believe that delayed payments have a negative impact on the growth of small businesses and the country’s economy and it has resolved to take the matter up with the leader of government business to request for an intervention regarding the leading national and provincial departments that are failing to comply with the prescribed 30 days payment period.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON SMALL BUSINESS DEVELOPMENT, MS VIOLET SIWELA.**

For media enquiries or interviews with the Chairperson, please contact the committee’s Media Officer:
**Name: Justice Molafo (Mr)**