**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **127 [NW130E]**

**127. Mr H C C Krüger (DA) to ask the Minister of Finance:**

(1) Whether, with reference to a certain letter and a list of unpaid invoices (details furnished), each specified invoice listed has been paid yet; if not, why not; if so, what are the relevant details;

(2) whether the National Treasury intends to pay the outstanding invoices; if not, why not; if so, what are the relevant details?

 NW130E

**REPLY**:

1. **Unpaid Invoices**

The accounting officer for a department, trading entities or constitutional institutions are required in terms of section 38(1)(f) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) to settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period. Treasury Regulation 8.2.3 provides that “Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement”.

Accounting authorities of public entities are required in terms of section 51(b)(iii) to manage the working capital of the public entity efficiently and economically.

A National Treasury Instruction Note No. 34 was issued to accounting officers of departments requesting exception reports to be submitted to their relevant treasuries on (a) number and value of invoices paid after 30 days from the date of receiving invoices, (b) number and value of invoices older than 30 days that has not been paid and (c) reasons for the late and/or non-payment of the invoices.

The National Treasury established a Call Centre to allow suppliers to log and report non-payment of invoices by government institutions for the National Treasury to take steps in ensuring that such suppliers are paid and make necessary follow-up with those respective institution to determine root cause for the non-payment of reported invoices that remain unpaid and facilitate and fast track the payment of those invoices with the relevant institution, the Call Centre can be accessed on the following address: 30daysqueries@treasury.gov.za.

Similarly, section 65 (2) (e) and 99 (2) (b) of the MFMA requires the accounting officer of the municipality and municipal entity to 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.

Information on invoices specified in the list will be followed up with the relevant institutions to ensure that payment is made.

1. **Payment of unpaid invoices**

Accounting officers, accounting authorities, municipal managers and accounting officer of municipal entities are entrusted with financial management responsibilities in terms of the Public Finance Management Act, Act No. 1 of 1999 (PFMA) and Municipal Finance Management Act, Act 56 of 2003 (MFMA) to ensure that all contractual obligations are met and that payment to suppliers are made on time. Accountability arrangements in terms of these two pieces of legislation require each institution to plan, budget, contract and pay for goods delivered and services rendered, and it is, therefore, the responsibility of the institution to ensure that all valid invoices paid on time.

The National Treasury does not make payments to supplier’s invoices that remain unpaid by other organs of state due to accountability arrangements embedded in the PFMA and the MFMA. The Call Centre is used to assist suppliers to ensure that organs of state adhere to legislative requirements and honor their contractual obligations.