**MINISTRY FOR HUMAN SETTLEMENTS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.:1314**

**DATE OF PUBLICATION: 19 MAY 2017**

**Mr M S Malatsi (DA) to ask the Minister of Human Settlements:**

(a) What number of supplier invoices of each provincial department of human settlements currently remain unpaid for more than 30 days and (b) in each case, what (i) is the name of the company and/or supplier, (ii) amounts are outstanding, (iii) is the reason for nonpayment and (iv) is the envisaged date on which the amounts will be paid? NW1456E

**REPLY:**

Honourable Member, we are grappling with the issue of the paying supplier invoices within 30 days, it is a standard item on the agenda of MinMEC. The challenges remain and they are multi-faceted. The reasons provided by provinces for the late payment vary from late submission of invoices to verification of information pertaining to those invoices. Sometimes the required details for new suppliers are not always available in the financial system to facilitate payments due to inadequate completion of registration forms by suppliers.

With respect to the provision of names of suppliers or companies, the Honourable Members is referred to the established practise applicable to parliamentary questions and guidelines contained in the document titled, *“Guide to Parliamentary Questions in the National Assembly”.* The document referred to prohibits Members of Parliament, including the Executive, from *divulging* names of persons, bodies when asking or responding to parliamentary questions. Accordingly, I will not provide names of the companies and/or suppliers whose invoices were not paid within the 30 days. The document referred to states the following:

***“****Questions are to be framed as concisely as possible. All unnecessary adjectives, references and quotations are omitted.* ***Names of persons, bodies and, for example, newspapers are only used in questions if the facts surrounding the case have been proven. As the mere mention of such names could be construed as publicity for or against them, it should be clear that this practice is highly undesirable.*** *If a question will be unintelligible without mentioning such names, the Departments concerned are notified of the name (-s) and this phrase is used:* ***".......a certain person (name furnished)”***

**The information received from provinces is provided below:**

**Eastern Cape Province**

(a) 184 invoices remain unpaid by Eastern Cape Province.

(b) (ii) The amounts outstanding are included in the table below.

| **(b)(i) SUPPLIER** | **(ii) AMOUNTS OUTSTANDING** |
| --- | --- |
|  | **R’000** |
| **TOTAL** | **176 564 089** |

(iii) The Eastern Cape Province reported the reason for the non-payment as being the shrinkage of the equitable share over commitments and top slicing at the beginning of the financial year as well as the first tranche of the grant which was not enough to pay all the contractors.

(iv) The Eastern Cape Province is attending to its cash flow problems and it is hoped that this matter will be resolved soon.

**Free State**

1. 227 invoices remain unpaid by the Free State Province
2. (ii) The amounts outstanding are included in the table below:

| **(b)(i) SUPPLIER** | **(ii) AMOUNTS OUTSTANDING** |
| --- | --- |
|  | **R’000** |
| **TOTAL** | **122 196 958** |

(b)(iii) The Free State Province reported the reason for non-payment as due to insufficient funds being available for fund commitments.

(b)(iv)The Free State Department of Human Settlements has commenced honouring these claims in the 2017/2018 financial year as funding is disbursed from the National Department of Human Settlements. As at 24 May 2017 an amount of R46 million was still outstanding for payment which will be settled soon.

**Gauteng Province**

1. 824 invoices remain unpaid by the Free State province
2. (ii) The amounts outstanding are included in the table below:

| **(b)(i) SUPPLIER** | **(ii) AMOUNTS OUTSTANDING** |
| --- | --- |
|  | **R’000** |
| **TOTAL** |  **597 600 355.14**  |

 (b)(iii) The Gauteng Department advised that it could not make payments linked to the Human Settlements Development Conditional Grants (HSDG) as from 1st April 2017 until Mid-May 2017, mainly because the first payment tranche for the 2017/18 financial year was transferred in late May from National department of Human Settlements. The reason for the late transfer of the first tranche is that the business plan was not able to be approved by the National Department, due to non-compliance and the Division of Revenue Act, which prohibits the transfer of funds before approval of the business plan.

(b)(iv) The Gauteng Department of Human Settlements plans to pay the outstanding invoices within the month of June.

**KwaZulu-Natal**

1. The province did not have any invoices that were unpaid for more than 30 days.

**Limpopo Province**

1. 3 invoices remain unpaid by the Limpopo province
2. (ii) The amounts outstanding are included in the table below:

|  |  |
| --- | --- |
| **(b)(i) SUPPLIER** | **(ii) AMOUNTS OUTSTANDING** |
|  | **R’000** |
| **TOTAL** |  **529 631.83**  |

|  |
| --- |
| (iii) Limpopo advised that one invoice was returned on the 19/04/2017 because of a negative amount on the budget line item and the other two were returned to the end-user as a result of a court order. |
|  |
|  |

 (b)(iv) Not specified.

**Mpumalanga Province**

1. 7 invoices remain unpaid by the Mpumalanga province
2. (ii) and (iii) The amounts outstanding and reasons for non-payments are included in the table below:

| **(b)(i) SUPPLIER** | **(ii) AMOUNTS OUTSTANDING** |
| --- | --- |
|  | R’000 |
| TOTAL | 4 499 193.00 |

|  |
| --- |
| (iii)Mpumalanga reasons for non-payment within 30 days include:1. Delay by the contractor in registering with CSD. CSD finalized on 19/05/2017 by the contractor and the account will now be linked with Logis. A call was logged with Provincial Treasury in this regard;
2. The Bank account details submitted to the Department did not agree with CSD.

(iv) The invoices will be paid when all outstanding issues have been resolved.  |

**Northern Cape**

1. The province did not have any invoices that were unpaid for more than 30 days.

 **North West**

1. 50 invoices remain unpaid by the North west province
2. (ii) The amounts outstanding are indicated below:

| **(b)(i) SUPPLIER** | **(ii) AMOUNTS OUTSTANDING** |
| --- | --- |
|  | **R’000** |
| **TOTAL** | **5 756 280.05** |

(b)(iii) The Province reported the reason for non-payment as being the error in capturing of invoices which reflected as unpaid instead of being updated on the system as they were paid.

**Western Cape**

1. The Province did not have any invoices that were unpaid for more than 30 days.