



# forestry, fisheries & the environment

Department:  
Forestry, Fisheries and the Environment  
REPUBLIC OF SOUTH AFRICA

Ref: 02/1/5/2

## NATIONAL ASSEMBLY

(For written reply)

QUESTION NO. 185 {NW189E}

INTERNAL QUESTION PAPER NO. 1 of 2022

DATE OF PUBLICATION: 10 February 2022

**Ms S P Kopane (DA) to ask the Minister of Forestry, Fisheries and the Environment:**

(a) What number of supplier invoices currently remain unpaid by (i) her department and (ii) each entity reporting to her for more than (aa) 30 days, (bb) 60 days, (cc) 90 days and (dd) 120 days, (b) what is the total amount outstanding in each case and (c) by what date is it envisaged that the outstanding amounts will be settled?

### 185. THE MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT REPLIES:

**Number of supplier invoices remaining unpaid in the department and entities:**

**(i) Department**

	Total	30 Days (aa)	60 Days (bb)	90 Days (cc)	Over 120 Days (dd)
<b>(a) Number</b>	6	4	1	-	1
<b>(b) Amount</b>	R67 206 000	R67 000 000	R29 250	-	R177 717
<b>(c) Envisaged settlement date</b>	-	15/02/2022	28/02/2022		31/03/2022

From the six (6) outstanding invoices, four (4) have been paid already.

The balance of two (2) invoices relates to EPIP projects. Invoices submitted by the service provider included services that could not be traced back to the actual deliverables. The invoices have been rejected and sent back to the service provider, awaiting for accurate and valid invoices in order for the payments to be processed.

**(ii) Public entities**

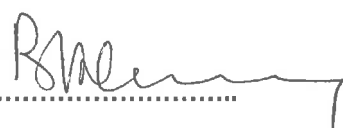
<b>MLRF</b>	<b>Total</b>	<b>30 Days (aa)</b>	<b>60 Days (bb)</b>	<b>90 Days (cc)</b>	<b>Over 120 Days (dd)</b>
<b>(a) Number</b>	35	19	2	4	10
<b>(b) Amount</b>	R3 144 746	R2 893 720	R16 750	R42 446	R191 830
<b>(c) Envisaged settlement date</b>	-	28/02/2022	28/02/2022	31/03/2022	31/03/2022

<b>SANBI</b>	<b>Total</b>	<b>30 Days (aa)</b>	<b>60 Days (bb)</b>	<b>90 Days (cc)</b>	<b>Over 120 Days (dd)</b>
<b>(a) Number</b>	120	55	38	42	8
<b>(b) Amount</b>	R2 841 801	R1 205 122	R136 531	R363 323	R1 136 825
<b>(c) Envisaged settlement date</b>	-	25/02/2022	25/02/2022	25/02/2022	25/02/2022

<b>SAWS</b>	<b>Total</b>	<b>30 Days (aa)</b>	<b>60 Days (bb)</b>	<b>90 Days (cc)</b>	<b>Over 120 Days (dd)</b>
<b>(a) Number</b>	4	3	-	-	1
<b>(b) Amount</b>	R133 894	R133 376	-	-	R518
<b>(c) Envisaged settlement date</b>	-	28/02/2022	-	-	28/02/2022
<b>ISWP</b>	<b>Total</b>	<b>30 Days (aa)</b>	<b>60 Days (bb)</b>	<b>90 Days (cc)</b>	<b>Over 120 Days (dd)</b>
<b>(a) Number</b>	-	-	-	-	-
<b>(b) Amount</b>	R0	R0	R0	R0	R0
<b>(c) Envisaged settlement date</b>	-	-	-	-	-

SANPARKS	Total	30 Days (aa)	60 Days (bb)	90 Days (cc)	Over 120 Days (dd)
(a) Number	11	7	3	-	1
(b) Amount	R262 369	R246 039	R10 594	-	R5 736
(c) Envisaged settlement date	-	28/02/2022	31/03/2022	-	31/03/2022

Regards

  
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MS B D CREECY, MP  
MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT

DATE: 24/2/2022

## **BACKGROUND NOTE**

### **Legislative requirements regarding payments within 30 days**

- In monitoring progress on the payment of suppliers' invoices within the prescribed period, National Treasury issued Treasury Instruction Note Number 34, which requires departments to submit 30 days' exception reports to the relevant treasuries by the seventh day of each month with information in respect of the preceding month.
- Information relating to the number and value of invoices paid after 30 days from the date of receiving invoices; the number and value of invoices that are older than 30 days, which remained unpaid; and the reasons for the late and/or non-payment of the invoices are required from departments.
- Section 38(1)(f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), requires accounting officers of departments to settle contractual obligations and pay all money owing, including intergovernmental claims, within the agreed or prescribed period.
- Treasury Regulations 8.2.3 issued in terms of section 76 of the PFMA, requires accounting officers to ensure that all payments to creditors are settled within 30 days from receipt of an invoice or, in the case of a civil claim, from the date of settlement or court judgement.

### **Challenges for the late and/or non-payment of invoices:**

- Supporting documentation not provided, in other words, UIF;
- Banking detail confirmations from suppliers, for safety net purposes;
- Incorrect format of invoices;
- Inadequate internal control; and
- Late authorisation of invoices.

Please note that the reasons provided above are general causes for delays in payments. Invoices reach Supply Chain Management and Finance from the business units already older than 30 days and Finance does not have a mechanism to track and obtain the reasons for late payment from the different business units.

### **Improvement proposal/Corrective measures**

- The Department of Forestry, Fisheries and the Environment (DFFE), however, has developed controls for improvement in order to have a specific reason for late payment for each invoice paid after 30 days, and a consequence management system.

- A turnaround strategy, standard operating procedures for payment developed and an integrated procurement management system is being implemented in a phased-in approach. The system will allow the DFFE to electronically track all supplier invoices.
- The new process will enable the DFFE to have more specific reasons for delays in payments from the relevant managers in the DFFE.
- Continuous strengthening of internal controls will enable the DFFE to track invoices within the Supply Chain and Finance environment in order to identify areas with the biggest causes of delays.