**NATIONAL ASSEMBLY**

**WRITTEN QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1999**

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 **1999. Inkosi R N Cebekhulu (IFP) to ask the Minister in The Presidency:**

What (a) has he found to be the reasons that departments are failing to adhere to the 30-day payment policy when trading with small and medium businesses and (b) is being done to ensure that the failure does not persist? NW2340E

 **REPLY:**

(a) According to the National Treasury’s Annual Report on Non-compliance with Payments of Suppliers Invoices Within 30 Days – FY2021/22, the most common reasons that are cited by departments for late or non-payment of suppliers include the following:

• Misfiled, misplaced or unrecorded invoices

• Inadequate budget and/or cash flow management problems

• Inadequate internal capacity

• IT Systems

• Standard Chart of Accounts (SCoA) related system problems

• Unresolved invoice discrapancies

• Incomplete supporting documents

(b) The National Treasury has established a central email address to resolve queries from suppliers. This involves following up with transgressing departments to ensure speedy resolution of queries. The DPME has prioritised Payment of Suppliers as one of the areas that is being monitored through its monitoring frameworks. In addition, the department continues to escalate queries of non-payment that are being logged through the Presidential Hotline.

The department has also initiated a project to engage the health sector, which is responsible for over 60% of the unpaid invoices, to address the challenges of non-payment. This initiative will involve the creation of a platform to facilitate the sharing of best practice, replication of measures that have been successful in other departments and to minimize the impact of medico-legal claims on non-payment of invoices.

 **Thank You.**