**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **2005 [NW2240E]**

**2005. Mr H C C Krüger (DA) to ask the Minister of Finance:**

(1) With reference to the 2020-21 Annual Report on Non-Compliance with Payments of Supplier’s Invoices within 30 Days, what (a) amount of the R4,1 billion in invoices paid after 30 days in the 2020-21 financial year by national departments was paid to small, medium and micro enterprises (SMMEs) and (b) is the breakdown of the amounts paid to SMMEs by each national department;

(2) what (a) amount of the R415 million in invoices older than 30 days and not paid in the 2020-21 financial year by national departments is owed to SMMEs and (b) is the breakdown of the amounts owed to SMMEs by each national department;

(3) what (a) amount of the R25,9 billion in invoices paid after 30 days in the 2020-21 financial year by provincial departments was paid to SMMEs and (b) is the breakdown of the amounts paid to SMMEs by each provincial department;

(4) what (a) amount of the R5,3 billion in invoices older than 30 days and not paid in 2020-21 financial year by provincial departments is owed to SMMEs and (b) is the breakdown of the amounts owed to SMMEs by each provincial department;

(5) what are the reasons that there is a discrepancy between the total values of invoices older than 30 days and not paid in the 2020-21 financial year by provincial departments, as indicated on Table 11 to be R4,1 billion and in Graph 10 to be R5,3 billion? NW2240E

**REPLY**:

1. (a) National Treasury Instruction Note No 34 issued in 2011 requires departments to submit 30 days exception reports to relevant treasuries each month with information related to (i) the number and value of invoices paid after 30 days from the date of receiving invoices, (ii) the number and value of invoices that are older than 30 days, which remained unpaid, and (iii) the reasons for the late and/or non-payment of the invoices.The amount of R4,1 billion represent the total amount of all invoices paid after 30 days during the 2020/2021 financial year and this amount is inclusive of invoices paid to small, medium and micro enterprises (SMMEs). (b) Information on the breakdown of amounts paid to SMMEs can be obtained from relevant accounting officers of national departments.
2. The amount of R415 million represent the rand value of all invoices older than 30 days and not paid, this amount is inclusive of amounts owed to SMMEs as at the end of the 2020/2021 financial year. Information on the total outstanding amount to SMMEs can be obtained from relevant accounting officers of national departments. (b) Information on the breakdown of outstanding amounts to SMMEs can be obtained from individual departments.
3. The amount of R25,9 billion is the total amount of all invoices paid after 30 days by provincial departments during the 2020/2021 financial year including invoices from SMMEs. Information on the total amount paid after 30 days to SMMEs can be obtained from departments. (b) Information on the breakdown of amounts paid to SMMEs can be obtained from individual departments in provinces.
4. (a) The amount of R5,3 billion represent the rand value of all invoices older than 30 days and not paid by provincial departments including invoices from SMMEs as at the end of 2020/2021 financial year. (b) Information on the breakdown of invoices not paid and total outstanding amount to SMMEs can be obtained from the relevant accounting officers of provincial departments.
5. Table 11 as contained in the annual report provides the status of performance of provinces regarding the number and rand value of invoices older than 30 days and not paid as at the end of February 2021 which did not include the results/progress as at 31 March 2021. Table 11 has since been amended with the aim of aligning it to information depicted in Graph 10 as indicated in table and graph below.

**Graph 10** of the 2020/2021 report provides month-to-month comparative figures of the rand value of invoices older than 30 days and not paid during the 2020/2021 financial year when compared with the 2019/2020 financial year.

Table 11 of the 2020/2021 report provides information related to the performance of provinces regarding the number and rand value of invoices older than 30 days and not paid as at the end of 2020/2021 financial year.

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| **Performance of provinces regarding the Number and Rand Value of invoices older than 30 days not paid** | | | |
| **Province** | **Number of invoices** | **Rand Value of invoices** | **%** |
| Northern Cape | 10 | 95 124 | 0% |
| Western Cape | 95 | 84 763 955 | 0% |
| Limpopo | 175 | 19 002 927 | 0% |
| Kwazulu-Natal | 915 | 451 527 061 | 2% |
| Free State | 1 010 | 81 356 354 | 3% |
| Gauteng | 2 650 | 313 956 082 | 7% |
| Mpumalanga | 2 738 | 399 224 299 | 7% |
| North West | 5 691 | 446 883 143 | 15% |
| Eastern Cape | 24 222 | 3 522 284 900 | 65% |
| **Total** | **37 506** | **5 319 093 844** | **100%** |