**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**PARLIAMENTARY QUESTION NO: 3576**

**DATE OF QUESTION: 03 NOVEMBER 2017**

**DATE OF SUBMISSION: 17 NOVEMBER 2017**

**Mr T R Majola (DA) to ask the Minister of Justice and Correctional Services:**

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

**NW4004E**

**REPLY:**

In response to the question on unpaid invoices, the Department of Justice and Constitutional Development (DoJ&CD), National Prosecuting Authority (NPA), Legal Aid South Africa, and Special Investigating Unit (SIU)have informed me as follows:

1. **DoJ&CD:**
2. For the reporting period ended on 30 October 2017, the Department of Justice and Constitutional Development had 22 valid invoices outstanding (Not paid within 30 days) broken down as follows:
3. 30 days: 5 invoices
4. 60 days: 6 invoices
5. 90 days: 1 invoice
6. 120 days: 10 Invoices
7. The total value of the above invoices is R15,816.82 broken down as follows:
8. 30 days: R2 322.94
9. 60 days: R2 672.94
10. 90 days: R422.94
11. 120 days: R10 398.00
12. **Legal Aid SA:**
13. The total number of invoices that are unpaid as at 3 November 2017 for Trade and Judicare Suppliers (private lawyers) are reflected according to ageing in Table 1 below:

**Table 1:**

|  |
| --- |
| **Number of Invoices** |
| **Ageing** | **Trade** | **Judicare** | **Total** |
| 30 | 11 | 39.3% | 25 | 49.0% | 36 | 45.6% |
| 60 | 0 | 0.0% | 3 | 5.9% | 3 | 3.8% |
| 90 | 1 | 3.6% | 12 | 23.5% | 13 | 16.5% |
| 120 | 2 | 7.1% | 1 | 2.0% | 3 | 3.8% |
| 120+ | 14 | 50.0% | 10 | 19.6% | 24 | 30.4% |
|   | **28** | **100.0%** | **51** | **100.0%** | **79** | **100.0%** |

1. The total value of unpaid invoices for Trade Suppliers and Judicare Suppliers as at 3 November 2017, in the different ageing categories, are reflected in Table 2 below:

**Table 2:**

|  |
| --- |
| **Value of Invoices in Rands** |
| **Ageing** | **Trade** | **Judicare** | **Total** |
| 30 | 113,407 | 75.0% | 354,670 | 67.3% | 468,077 | 69.0% |
| 60 | 0 | 0.0% | 22,325 | 4.2% | 22,325 | 3.3% |
| 90 | 34,325 | 22.7% | 83,949 | 15.9% | 118,274 | 17.4% |
| 120 | 225 | 0.1% | 1,798 | 0.3% | 2,023 | 0.3% |
| 120+ | 3,202 | 2.1% | 64,011 | 12.2% | 67,213 | 9.9% |
|   | **151,158** | **100.0%** | **526,753** | **100.0%** | **677,911** | **100.0%** |

It should be noted that invoices that are unpaid for longer than 30 days are as a result of queries that need to be resolved by the supplier. In the main, the banking details of affected suppliers are incorrect and thus payments are rejected. Legal Aid SA is still awaiting appropriate responses from the suppliers.

1. **SIU:**

The SIU did an analysis of all invoices outstanding at the end of 30 September 2017 which was the last reporting date of the entity before the question from the National Assembly.

The table below reflects the ageing of supplier balances at reporting date:



**Comments:**

The SIU had a total outstanding balance to suppliers of R9,1 million at the end of September 2017 of which 77% was outstanding for 30 days or less. The remaining balance of 23% is mainly due to the following factors:

1. R700K – Dispute with landlord on water and lights billing without apportionment of costs on tenant shared premises using meter reading as per contractual agreement. All the invoices outstanding for 62 days and more are related to this supplier. Lease rental costs are settled monthly except for the disputed amount. The SIU is in the process of resolving the issue with the landlord.
2. R900K – One invoice due to a service provider who supplied the SIU with technical equipment that were going through testing. The invoice was settled in October 2017.
3. The balance is mainly made up of supplier of travel management services where third party invoices / statement were outstanding for payment. The SIU has an arrangement with the supplier that invoices will only be settled when presented with third party invoices, e.g. invoices from car rental companies, and a statement of account.
4. **NPA**
5. The NPA has paid 99.5% of all creditors within 30 days during the 2016/17 financial year. The remaining 0.5% relates to disputed invoices.
6. As at the end of October 2017, the NPA had 12 invoices amounting to R97 512.38 that were outstanding for a period of more than 30 days. Below are the details of the relevant invoices:

| **NO.** | **PAYEE NAME** | **AMOUNT** | **NO. OF DAYS** | **COMMENT** |
| --- | --- | --- | --- | --- |
|  | BCD TRAVEL  | R568,40 | 146 |  DISPUTED  |
|  | BCD TRAVEL  | R568,40 | 140 |  DISPUTED  |
|  | SEBTECH TECHNOLOGIES  | R1 431,83 | 85 |  DISPUTED  |
|  | SEBTECH TECHNOLOGIES  | R1 431,83 | 65 |  DISPUTED  |
|  | FACCT FORENSIC CONSULTING  | R76 772,16 | 55 |  DISPUTED  |
|  | SCHUTTE JHT  | R250,00 | 50 |  DISPUTED  |
|  | MULTI CHOICE AFRICA (PTY) LTD  | R274,00 | 49 |  DISPUTED  |
|  | DELOITTE TIP-OFFS ANONYMOUS  | R14 345,76 | 46 |  DISPUTED  |
|  | ELLIS DJ  | R650,00 | 45 |  DISPUTED  |
|  | FERREIRA S  | R109,00 | 41 |  DISPUTED  |
|  | LANDMAN L  | R411,00 | 32 |  DISPUTED  |
|  | SANDAN MM  | R700,00 | 31 |  DISPUTED  |
|  |  | **R97 512,38** |  |  |