

NATIONAL ASSEMBLY

FOR WRITTEN REPLY

QUESTION NO 1775

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 27 JULY 2012
(INTERNAL QUESTION PAPER NO. 20 - 2012)

"1775. Mr N J van den Berg (DA) to ask the Minister of Science and Technology:

- (1) Whether (a) her department and (b) entities reporting to her make payments to (i) suppliers and (ii) service providers within the 30 day payment period as specified by the Public Finance Management Act (PFMA), Act 1 of 1999; if not, in each case, (aa) how many service providers are awaiting payment, (bb) what is the monetary value of outstanding payments and (cc) how long is payment overdue;
- (2) whether (a) her department and (b) all entities reporting to her are liable for any interest charged on overdue payments in any of the cases mentioned; if not, what is the position in this regard; if so, in each case, what is the (i) percentage and (ii) and monetary value of interest charged;
- (3) whether (a) her department and (b) all entities reporting to her have negotiated revised payment schedules with each of the service providers mentioned; if not, why not; if so, in each case, what are the relevant details;
- (4) what are the reasons for (a) her department and (b) all entities reporting to her not making payment within 30 days as specified by the PFMA;

- (5) whether (a) her department and (b) all entities reporting to her have implemented any measures to (i) ensure full compliance with the PFMA and (ii) facilitate immediate payment for overdue accounts; if not, why not; if so, in each case, what are the relevant details?"

NW2166E

REPLY:

1(a)		2(a)		3(a)	4(a)	5(a)	
(i)	(ii)	(i)	(ii)			(i)	(ii)
Yes	all payments processed by the Department suppliers are in general processed within the 30 days specified by the Public Finance Management Act, 1998 (Act No. 1 of 1998). The reasons for some payments not processed within the 30 days are alluded to in paragraph 4(a).	No interest was levied on outstanding payments	Nil	The department has not negotiated revised payment schedules with the service providers.	The department experience d problems with the creation of funds the structure in respect of the Standard Chart of Accounts (SCOA) and the activation of expenditure items. Problems were also experience d with the verification of beneficiary banking details on the SafetyWeb system.	The department has implemented a system to allow for more timely submission of invoices or payments to the sub-programme. Finance and its position regarding compliance with the PFMA have improved.	Payments are processed in accordance with the PFMA
	7	±105 days					
		(bb)					
		R163 581.34					
		(cc)					

Entity	1 (b)		2 (b)		3 (b)	4 (b)	5 (b)		
	(i)	(ii)	(i)	(ii)			(i)	(ii)	
South African National Space Agency	Creditor payments period is between 30 and 59 days.	4	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)	
				R 195 435	R 14 523 in 120 days, R 9 769 in 90 days, and R 172 143 in 60 days	Service providers and / or suppliers have been informed of the challenges and are working with the entity to resolve the matter of unsigned or invalid	Contracts have expired since the integration of the CSIR Satellite Application Centre into the entity. SANSA is dealing with the applicable supply chain management process to correct the situation, after which payment will be made	Centralisation of supply chain management processes, have currently been implemented to ensure compliance with the PFMA and to prevent a recurrence of the situation	Payments will be effected as soon as the relevant supply chain management processes have been finalised. The ultimate deadline for payment of these overdue accounts is 10 August 2012

<p>Technology Innovation Agency</p>	<p>7</p>	<p>Payments were made to suppliers and service providers within the 30 day period</p>	<p>R 104 877.73</p>	<p>15 days in excess of 30 days due to a financial system change as a result of the invoices were not captured on time. There was also one dispute on payment which was subsequently changed by the supplier</p>	<p>No interest was levied on the 7 invoices outstanding in excess of 30 days</p>	<p>7 service providers were informed of the system change problem and payments were made after 30 days had lapsed. In case of the invoice that was in dispute, the service provider resubmitted the invoice and it was paid</p>	<p>Financial system change</p>	<p>Payment system is fully functional and invoices have been captured timeously with creditors reconciliations being performed</p>	<p>7 payments have since been paid in the month of July 2012</p>
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<p>Human Sciences Research Council</p>	<p>The HSRC endeavours to pay all suppliers within the stipulated 30 days per the PFMA. Monthly payments are processed twice in a month, 15th and 25th of every month. All invoices received which are approved are paid without any delays</p>	<p>None</p>	<p>R 13 683 000</p>	<p>R 1 993 000 in 30 days; R 335 000 in 60 days; R 185 000 in 90 days; and R 348 000 over 90 days</p>	<p>None</p>	<p>Not applicable</p>	<p>Failure by supplier to provide appropriate banking details; and submission of statements to the HSRC, periodically for reconciliations to be performed and payment processed</p>	<p>The HSRC has processes and procedures to ensure payments are processed in line with suppliers' terms</p>
<p>Academy of Science South Africa</p>	<p>ASSAf always makes payments to service providers and suppliers within the 30 day period as specified by the PFMA</p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>ASSAf will always ensure full compliance with the PFMA with regards to payments to service providers and suppliers</p>

<p>Research Foundation National</p>	<p>The general payment term which the NRF agrees to with its suppliers and / or service providers is normally within 30 days after statement date.</p>	<p>The NRF had outstanding creditors of approximately R 1 300 000 as at 31 March 2012. None of the outstanding payables owed to suppliers and service providers are considered to be overdue.</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>The NRF believes that it is in full compliance with the PFMA</p>
<p>Council for Scientific and Industrial Research</p>	<p>Section 38 (1) (f) of the PFMA and Treasury Regulation 8.2.3 are not applicable to the CSIR as it is a public entity. However, the CSIR pays suppliers and / or service providers as per the agreed period</p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>Measures are in place to comply with the applicable sections of the PFMA</p>

Africa Institute of South Africa	4	R 64 735	None	Interest as a result of late payments is listed under fruitless and wasteful expenditure and is recovered from the employee responsible for the function. Where disagreements arise, credit notes are requested and interest is reversed by mutual agreement	Not applicable	Not applicable	AISA has an internal policy and implements controls to address payments timeliness. Monthly monitoring of the creditors reconciliations are also conducted
The AISA endeavors to pay all service providers and / or suppliers within a 30 day period with exception where compliance or service delivery issues arise	4	R 64 735	None	Interest as a result of late payments is listed under fruitless and wasteful expenditure and is recovered from the employee responsible for the function. Where disagreements arise, credit notes are requested and interest is reversed by mutual agreement	Not applicable	Not applicable	AISA has an internal policy and implements controls to address payments timeliness. Monthly monitoring of the creditors reconciliations are also conducted