

# FINANCE TALK

TOGETHER WE MOVE NORTH WEST PROVINCE FORWARD



provincial treasury

Department:  
Provincial Treasury  
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## ROSHO LAUDS CFO's

The MEC for Finance, Motlalepula Rosho has commended Chief Financial Officers and finance managers for the work they do to ensure provincial government achieves its strategic objectives.

"As much as you may deem that CFO's operate from the back, their work is an important bedrock for delivery of basic services to communities. CFO's play a critical role in government of changing the lives of people." Speaking at the occasion of handing over of 2021/22 Annual Financial Statement by departments and provincial entities to the Auditor General for audit purposes, MEC Rosho said she is aware of the long hours and commitment that CFO's put towards the compilation of credible and quality Financial Statements.

"You may see yourself as back office machinery but you must realize that you can either make government to succeed or collapse. We need to start to appreciate the detailed and accurate work that you do. Being part of the Provincial Treasury family, I have come to realize how the budget is being concluded and people do not know the work that is done behind the scene in crunching the numbers. "We express our appreciation and



commitment that we have seen amongst all CFO's to do their best to strengthen internal control for compliance and fiscal discipline and to ensure the level of service delivery is properly oiled."

What we need to see at the end of the day is pockets of excellence and achievement of clean audit.

Ethical leadership starts in the CFO's space and they have to resonate with elements of self-discipline and are the enablers for government to be able to realize its vision of creat-

ing a better life for all.

"We have moved in a new normal mode which would have to ensure we sustain the gains we have made to ensure there was business continuity during the COVID-19 pandemic.

CFO's must be commended to have contributed towards the success of the machinery of government to continue to run and also the adaptation towards the re-purposing and re-viewing of budgets. You do add value in driving the machinery of changing lives of the people," she said.

# EFFORTS must lead to IMPACT – HoD Kunene.

All efforts by provincial and national spheres of government towards local government must lead to impactful results.

Mr Ndlela Israel Kunene, HOD for Provincial Treasury highlighted the need for results-oriented intervention to stakeholders inclusive of National Treasury, National Department of Cooperative Governance, South African Local Government Association and the North West Department of Cooperative Governance and Traditional Affairs convening to address issues and come up with solutions for local government challenges.

“The realization is that all efforts and interventions are not leading to any desired impact. We have considered it necessary, that we meet as stakeholders and re-look at how we are

coordinating our efforts towards the improvement of municipalities. We want to do that so in order to have an integrated, consolidated support plan wherein all the stakeholders would take part.”

Kunene says learning from the past, all stakeholders need to now intensify plans and strategies that would translate into impact – impactful results that seek to change the current narrative.

In the past two financial years, the Auditor-General has cited lack of accountability and consequence management as some of the reasons why local government continues to fail. In the 2020/21 report, the AG emphasized that “there is a significant number of non-compliance, non-adherence to legislation or

non-compliance and the lack of consequence management”.

Echoing on the words of Provincial Treasury HoD, the SALGA North West Provincial Director of Operations Ms Desiree Tlhoale says such reports and findings reflect back on departments and entities that are tasked to provide support and intervention to local government challenges. “We need to be radical in our approach and be above reproach!” she exclaimed.

All the involved stakeholders came to a unanimous conclusion that there has been support and interventions but they have not yielded desired results as local government woes continue to worsen, prompting new angle to interventions, new plans and strategies.





# NWPT pushes for quality municipal Annual Financial Statements.



The North West Provincial Treasury ensure that municipalities submit quality Annual Financial Statements for audit purpose. The department, in collaboration with SALGA, National Treasury and provincial department of COGTA invited officials responsible for AFS' compilation from municipalities to a statements review working session. The working session focused on the practical review of the AFS and major areas to look at.

The Chief Director: Municipal Finance Management Ms. Linda Nengovhela

said that audit reports from previous financial years have shown recurring indications that contribute to undesirable outcomes. "We are here to work together, to help each other produce good quality statements for submission while ensuring the no-repeat of flagged indicators" she said.

Nengovhela says the department prioritised this exercise, that is why there was a need to invite the Provincial Accountant General, Mr Geo Paul, who has a wealth of knowledge and experience spanning over 25 years in the accounting sector.

The Auditor-General of South Africa has, indicated in the 2020/21 consolidated MFMA report that 75% of municipalities in the country are struggling to submit quality Annual Financial Statements. The department has invited municipal officials responsible for, or whom are part of the AFS preparation teams - amongst others, Chief Financial Officers, Internal Auditors and Chief Audit Executives. This is to ensure that they are exposed to critical areas that add value to prepare statements, with capacity development at the top of mind.

The practical review of AFS' working session focused on key GRAP (Generally Recognised Accounting Practice) implementation challenges affecting municipalities, also to provide context and understanding of the GRAP requirements and the underlying AFS information required. Forming part of the focus areas included information gathering procedures, which form part of AFS considerations or recognition, measurement and disclosure of transactions and balance in the AFS.

In the previous financial year reporting (2022 MFMA Report), the AGSA has stated that "the poor quality of the financial statements submitted for auditing does not bode well for the credibility of municipalities' in-year financial reporting, as it means that decisions, analyses and monitoring could be based on unreliable information." The working session has seen different accounting and audit professionals from municipalities share ideas and their understanding of certain terms and triggers for concerning audit outcomes as they will be finalising their AFS' for submission.



# COUNCILLORS INDUCTION PROGRAMME FOR FINANCIAL RECOVERY PLAN



The Provincial and National Treasuries in conjunction with other key players in the local government sphere held a councilors induction programme to take newly elected councilors through the invocation of Section 139 (5) of the Constitution read together with Chapter 13 of the Municipal Finance Management Act (MFMA) in the eight municipalities that are identified as financially distressed and need intervention.

The purpose was to take all municipalities to get a sense and understanding of intervention and to make a clear distinction between mandatory and discretionary intervention and that the Financial Recovery plan is fully implemented.

The session clarified Section 139 Constitutional intervention process particularly Section 139 (5) mandatory interventions with the intention to create a shift in thinking on how Section 139, if implemented appro-



priately with full co-operation from all role players can actually be used to improve municipal performance.

The session also sought to dispel popularly held perceptions of interventions as being punitive, intrusive as they encroach on municipal autonomy, unsupportive and lacking consequences.

There has been continuous misrepresentation of mandatory and discretionary intervention and the engagement sought to give clarity and assist municipalities to develop Financial Recovery Plan and implementation thereof.

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Factors that determine if there is a serious financial problem or financial crisis were outlined to councillors and the remedies thereof.

“This is a multifaceted support we are bringing to our municipalities to ensure institutional capacity, governance, financial health and service delivery targets in financially distressed municipalities are strengthened and fit for purpose,” says MEC Rosho.

MEC Motlalepula Rosho said that by law the councillors are successor entitled and by implication take responsibilities to improve the state of financial affairs in their municipalities through implementation of Financial Recovery Plan and that they do not adopt the previous way of doing things. The newly elected council will have to honour the Financial Recovery Plan as they are taking over the municipality as an institution and as a going concern.

The newly elected Council is presented with an opportunity to correct dysfunction and in so doing earn confidence of communities. They will be instrumental in deciding what the financial health and status of their respective municipalities will look like at the end of the sixth electoral term.

“This process will put them in the right path in terms of improving their financial status,” said MEC Rosho.

The councillors requested that this session be done continuously to assist them to improve on a lot of areas including compliance with relevant prescripts.

The executive Council (EXCO) has decided to invoke section 139 (5) (a) and (c) which decision will be communicated to respective councils in due course.

## **20 North West municipalities comply to Annual Financial Statements (AFS) submission to Auditor General South Africa (AGSA)**



Twenty (20) of the twenty-two (22) North West municipalities have complied with submission of the AFS to AGSA on 31 August 2022 as per section 261 of the Financial Management Act (MFMA) no 56 of 2003,

which states that: “the accounting officer of a municipality must prepare the annual financial statements of the municipality and within two months after the end of the financial year to which those statements re-

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late, submit the statement to the Auditor General for auditing.”

Holding administration accountable is key to the political leadership areas that has been repeatedly raised by the AGSA that guidance and oversight must be consistently mastered by Executive Mayors, Mayors and various legislated committees at local level.

MEC for Finance Motlalepula Rosho said that councilors elected in 2021 have been instrumental in ensuring that majority of municipalities submit the required AFS which translates to good governance. She also said it remains to be seen what the outcome of the 21/22 audit will be, given the leadership provided.

The MEC emphasized that councils must ensure that the Post Audit Action Plans (PAAP) are meticulously attended to, so that audit issues are resolved. This will improve local government outcomes for the forthcoming financial years.

The Auditor General North West representative, Mthokosizi Sibisi commended the provincial government for its continued support to the municipalities and said the improvement in compliance by twenty municipalities is a demonstration that there is commitment in promotion of good governance. Municipalities were also praised for heeding the call to comply with the legislation and that they are cohorts that are committed to compliance.

“We will not be discouraged in our efforts to provide support to municipalities to improve the management of finances and service delivery. We had a strategic session that involved COGTA, SALGA and Provincial Treasury and crafted the support plan to be implemented in the next five years. The plan will be implemented jointly by the three stakeholders to ensure proper coordination of efforts and resources to improve the level of impact”, said MEC.

Two municipalities that could not submit on 31<sup>st</sup> August 2022, will also be provided with additional support by PT, COGTA and SALGA as these institutions have a collective responsibility to ensure compliance to legislative mandates.







## DEPARTMENTS MEET AFS SUBMISSION DEADLINE

“The Provincial Accountant General, Mr Geo Paul says Provincial Treasury had conducted preparatory workshops to empower CFO’s and finance officials to compile credible and quality financial statement. He said the statements were reviewed by both his office and the Provincial Internal Audit for quality assurance.”

The Provincial Treasury is grateful that the work they put in to compile the 2021/22 Annual Financial Statements will translate into improved audit outcomes. Most provincial departments auditees managed to submit their financial statements on May 31, 2022, as legislated under section 40 (b) and (c) of the Public Finance Management Act.

“I would like to commend all Accounting Officers of departments and Chief Financial Officers of Public Entities for the sterling leadership and dedicated support provided to ensure that Annual Financial Statements are submitted on time,” Said MEC Rosho.

MEC Rosho said there have been great improvement in audit outcomes under the sixth administration

and they would like to see all auditees receiving favourable or clean audits in the coming years. She said the Section 100 interventions had managed to stabilize governance in the province.

“We can not say we have achieved what we want to achieve but there is steadily great progress and must take this time to commend the leadership of section 100 intervention who worked tirelessly to ensure audits outcomes get improved. It is one area that we must tick a box and take pride that at least there are lesson that can be learnt in the North West under section 100 where audit outcomes had improved,” said MEC Rosho.

She called for the strengthening of relationship with public entities to en-

sure they start a process of compliance at the same time with provincial departments.

The Provincial Accountant General Mr Geo Paul says Provincial Treasury had conducted preparatory workshops to empower CFO’s and finance officials to compile credible and quality financial statements. He said the statements were reviewed by both his office and the Provincial Internal Audit for quality assurance. The Head of Provincial Treasury, Mr Ndlela Kunene stated that the major challenge facing the province remains irregular expenditure and said there is commitment to deal with that in the coming years.

# The provincial government has made strides in enabling gender-based budgeting



Government is in a continuous process to undo the marginalization of women injustice and although this has been a slow process, it is gaining momentum. We are beginning to see the fruits of our labour where women are being considered for opportunities that were historically set aside for our male counterparts as government processes are now enabling gender-based budgeting.

The provincial administration has made strides to ensure that the provincial budget is geared towards the efforts of gender mainstreaming. At all stages of the budget cycle planning and fiscal strategy, budget preparation, budget execution, review, and external control gender-specific analysis and instruments are integrated.

Addressing the North West Provincial SALGA Women's Commission Lekgotla, Finance MEC Motlalepula Rosho said gender-based-budgeting is a key pillar of the 1995 Beijing Platform of Action, new approach to gender based budgeting, which was defined at the Southern African Development Community Protocol on Gender and Development (2012) as "the use of fiscal policy and fiscal administration to advance gender equality".

She said that women's development calls for an explicit incorporation of gender issues through adaptation and reinforcement of existing institutions and tools.

Rosho said that the Provincial Treasury has ensured that other than

personnel budgets, included in the Provincial Departmental baseline budgets, the allocations for projects that are geared towards Gender, Youth and Disabilities are as per the mandates or functions of departments and will be in line with Supply Chain Management (SCM) prescripts.

Noting the strides achieved, Rosho said "we are currently challenged as a province to have the ability to measure or locate the budget in relation to gender mainstreaming since the provincial allocation has not yet reached the ideal gender mainstreaming based budgeting stage. Provincial Treasury consistently implores on provincial departments to identify and allocate budgets on programmes that are responsive towards gender mainstreaming.

The department constantly analyses budgets and expenditure to assess the responsiveness to the priorities of gender mainstreaming. We further require constant guidance from National Treasury working closely with Department of Planning, Monitoring and Evaluation (DPME) and The Department of Women, Youth and Persons with Disabilities (DWYPD) to ensure that we are able to reach our goals of budgeting in line gender mainstreaming prescripts."

She concluded by saying that gender-based budgeting does not advocate for separate budget for women and girls but requires that the needs of women and girls must be prioritised in the allocations made by government and business.





## Provincial Treasury engaged various government departments on a fiscus session.

In an effort to pro-actively prepare for the tabling of the Adjustment Budget for 2022 financial year, Provincial Treasury engaged government departments and public entities to assess both financial and non- financial performance thereof. The engagements were largely intended to establish the extend to which the both provincial departments and public entities are able to implement the 2022/23 financial year approved budget and plans to mitigate any possible emerging risks that may impede service delivery.

The adjustment provides an opportunity to make various reviews of the budget in response to changes that might have affected the planned government spending for the current financial year.

The engagements brought several critical service delivery issues to the attention of the Provincial Treasury and among others it has been noted that:-

Most departments are underspend-



ing as at quarter one (1) and the Province may experience cumulative underspending by 2022/23 financial year end;

The Provincial departments are not able to entirely use conditional grant allocations that have been made available by national departments and this results in underspending and roll-over application by financial year end;

There are bottlenecks that needs to be addressed in the procurement process of most departments;

The departments are remaining far behind with implementation of infrastructure projects and this will lead to

budget underspending and decline in service delivery targets by financial year end; and

There is a need for departments and public entities to improve relationship between financial planning and other performance planning functions.

The session was also attended by officials from National Treasury, National Department of Public Works and the National Department of Health. The departments were encouraged to spend their budgets as per plans to avoid negative impact on service delivery.



# Letsholo la kwadiso le tswelletse go thusa dikgwebo-potlana

Mo maitekong a go bona gore dikgwebo potlana tsotlhe mo Bokone Bophirima le Mekgatlho e e seng ya Puso (Non Profit Organisations,) di nna le tshono ya go dira kgwebo le puso, go gola le go tlhola ditiro go ma Aforika Borwa a mangwe, Lefapha la Matlotlo le nnile le letsholo la go etela bagwebi potlana mo didikeng tsotlhe tsa profense go ba thusa ka kwadiso ya dikgwebo tsa bone go Centralised Suppliers Database (CSD).

Le fa kwadiso e kgona go dirwa ke mang le mang yo o nang le phitlhelelo ya mafaratlhatlha e ka nna ka founu tsa sesweng kgotsa komputara, lefapha le bone go le bothokwa go thusa bagwebi ka ikwadiso.

Ketelo go mafelo tulo a baagi ka go thusa kwadiso ya dikgwebo-potlana go ne ga amiwa thata ke go wa ga bolwetse jwa COVID-19 le dikiletso tse di nnileng le fa thuso ka kwadiso e ne e dirwa thata ka founu, mme kwelo tlase ya dikgetsi tsa tshwaetso

le go sekegwa ga dikiletso ga thusa gore lefapha le tswelletse maitlhommo a lona ka go ikopanya le beng ba dikgwebo.

Mosola wa go ikwadisa go CSD ke gore tshedimisetso yotlhe ya kgwebo e tlhagelela go mafapha otlhe le ditheo tsa puso le dimasepala. Se se raya gore fa o ikwadisetse le lefapha le le lengwe, mafapha otlhe a kgona go fitlhelela tshedimisetso ya kgwebo nngwe le nngwe e e ikwadisitseng go ya ka mofuta wa kgwebo.

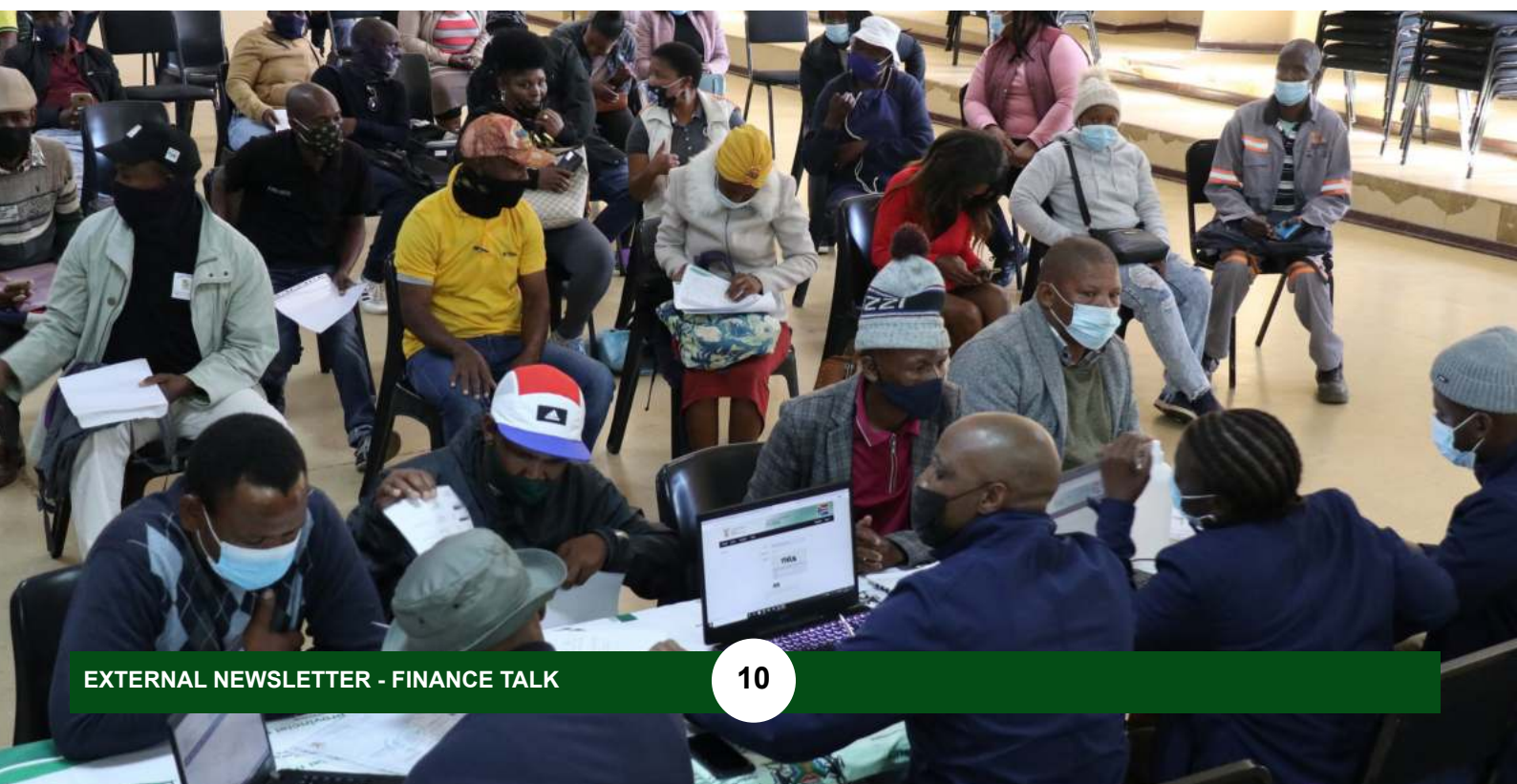
Ka go thankgolola letsholo kwadiso leno, lefapha la matlotlo le ne le diragatsa se e leng moonno wa puso wa go tlisa ditirelo go batho gongwe le gongwe kwa mafelong a bona a tulo ka go bona gore batho ga ba dirise madi a bona go fitlhelela ditirelo tsa puso, bogolo mo nakong eno e thata mo bothhoka tiro le maemo a ikonomi a sa jeseng diwelang.

Kwa bokhutlong jwa legato la ntlha la

letsholo le, ke dikgwebopotlana tse dintsi tse dithusitsweng ka kwadiso go CSD. Bontsi jwa borragkwebo le bommakgwebo ba ne ba supa fa ba itumeletse matsapa a a tshotsweng ke lefapha go ba thusa ka ikwadiso mme ba solofela thata gore ikwadiso e tla tlisa ditshono tsa go dira kgwebo le puso jaaka go tendara kgotsa go neelana ka ditirelo go puso.

Lesholo kwadiso le diragetse ka tshwaragano le dikantoro tsa tlhabololo ya ikonomi ya selegae (Local Economic Development, LED) tsa dimasepala tsa selegae tsa profense. Lefapha le tla tswelela ka thulaganyo ya kwadiso go fitlhelela kgwedi ya Tlhakole wa 2023.

Bagwebi botlhe ba rotloetswa go ikopanya le lefapha go itse ka dithulaganyo tsa ketelo mo mafelong a bona a tulo le go etela mafaratlhatlha a facebook a lefapha mo North West Provincial Treasury.





# MUNIMEC TO ADDRESS CRITICAL ISSUES AND ENHANCE RELATIONSHIPS ACROSS ALL SPHERES OF GOVERNMENT.



The North West Provincial Treasury under the leadership of MEC Motlalepula Rosho has, according to the Intergovernmental Relations Framework Act, successfully established a MuniMEC for the 6th local government administration.

This act, amongst others requires national, provincial and local governments to facilitate coordination in the implementation of policy and legislation. This includes a coherent government in the delivery of services, realization of national priorities and monitoring of compliance and implementation of the said policies and legislations.

As the legislated MuniMEC chairperson, Finance MEC Motlalepula Rosho has encouraged mayors, speakers and their respective council members responsible for finance

and infrastructure to see this convention as a platform that provides an opportunity for political oversight and support to municipalities, adding that this will help with the realization of the District Development Model (DDM) deliverables.

“I encourage you to move forward with the political leadership mentality of champions, which will drive the realization of service delivery to our people, with a focus on the DDM as all government spheres will be working together.

This platform (MuniMEC) as we launch, will focus on key activities that will be unfolding in the next months, which amongst others will include the adoption of municipal budgets and submission of financial statements to the Auditor-General” MEC Rosho said.

The Intergovernmental Relations Framework Act further requires that national, provincial and local governments consult each other in a manner best suited to their circumstances, including by either direct contact or relevant intergovernmental structures. This is to allow coordination of actions when implementing policies or legislation by cooperation and information sharing between organs of state.

MEC Rosho concluded that she has a lot of confidence in the 6th municipal administration, adding that they will be champions of local government in turning around, changing the narrative and producing different, desired results by communities on the road to improved municipal performance in the North West province.



## Provincial Treasury forges partnership with municipalities to address planning for social economic development

The North West Provincial Treasury as the custodian of public resources has the responsibility to manage resources in accordance with relevant legislation and provide professional advice and support on provincial economic analysis matters and those related to fiscal policy.

In accordance with the above, the Macro Economic Analysis programme has developed a province wide programme to engage with departments and municipalities. The partnership is intended to share best practices on how to address the challenges that are brought upon by the prevailing socio-economic conditions.

Addressing the gathering, Mr Kgomotso Gaobepe a senior manager attached to Macro Economic Analysis explained that the research outcomes that was conducted by the department on the socio economic landscape focusing on selected variables gave evidence that lack of integrated planning by departments and municipalities has adverse ef-

fects on the socio economic development of the province. Gaobepe emphasized that the province can no longer afford to operate in silos due to the budgetary constraints and that we are faced with. Thorough district socio economic analysis is crucial for the province to collaborate and plan together. He said this would translate into improved service delivery and economic spin offs and that the lives of ordinary citizens will improve for the better. Gaobepe extended a helping hand to the Dr Ruth Segomotsi District Municipality together with its local municipalities and committed that the department will always assist in areas of research to ensure proper execution of targeted service delivery outputs.

Mr Percy Pitso, acting director responsible for local economic development in Dr Ruth Segomotsi Mompoti was ecstatic by the engagement and committed that the district will be in constant communication with the department to share views on how to execute the planned projects . He shared a glimpse of high level

projects that are aimed at developing youth, women, people living with disabilities and other groups that are contained in their One District Plan ranging from green economy, infrastructure projects such as roads, water and energy, agro processing, dam development programmes and informal trading.

The programmes kick-started in Dr Ruth Segomotsi Mompoti District, proceeded to Bojanala and Dr Kenneth Kaunda . The sessions are targeted to assist the province to improve budget planning, local economic development and integrated development programmes. The gathering was attended by Local Economic Development (LED) and Integrated Development Programmes (IDP) practitioners from the district and local municipalities together with officials from the provincial department of COGTA who are responsible for IDP and LED programmes. The consultation with Ngaka Modiri Molema District will be conducted in due course.





# RISK MANAGEMENT COMMITTEE INDUCTION

The Department has adequate systems of risk management in place and is committed to the continued improved of the maturity level and will partner any stakeholder with the capacity and intent to improve risk management.

The Provincial Treasury recently welcomed Risk Management Committee members and assured it of its unwavering support in its oversight function.

The committee, which comprises of three external members and two internal members will sit once in a quarter in the financial year and may convene special meetings.

The committee is appointed by the accounting officer to assist them to discharge risk management respon-

sibilities, is expected to execute various functions such as the review of risk management policy and strategy, risk appetite and tolerance level, identification and assessment methodologies and fraud prevention policy and strategy just to mention few. Mr Vicky Rampou, deputy Director for Enterprise Risk and Integrity Management provided the committee with a comprehensive overview of the department, institutional arrangements and governance processes.

“The Department has adequate systems of risk management in place is committed to the continued improved of the maturity level and will partner any stakeholder with the capacity and intent to improve risk management and enhance ability to carry out its mandate,” said Mr Rampou.

The committee was taken through risk management challenges encountered and recommendations of how to overcome them,

# Service providers urged to escalate non-payment of invoices.



Finance MEC Motlalepula Rosho has called on service providers in the North West province to escalate non and/or late payment of invoices on goods and services provided. This comes after the National Treasury has released the 2021/22 Annual Report on non-compliance with payments of supplier's invoices within 30 days. The report has indicated a number of invoices per province paid after 30 days, with North West being number 7 out of 9 provinces with the highest number of invoices.

MEC Rosho says the late payments of service providers works against the North West Provincial Government's efforts and commitment to uplift businesses that contribute to the growth of the province's economy

and creation of sustainable jobs. "We are mindful of the negative repercussions that face service providers as a result of late payment of invoices by government. Service providers are susceptible to closures due to financial difficulties, non-payment of employees and compromised relationships with their suppliers - that is why we urge them to escalate the matter if it persists without resolution with the organ of state with which the service was provided to".

According to the report, North West provincial departments reported the third highest number of invoices paid after 30 days, which amounted to 54 453 invoices or 21% to the rand value of R3.4billion. MEC Rosho encourages businesses to always

enquire and keep track of their invoices should there be a reason as to why their payments have not been processed so they can be quickly resolved.

Earlier this year the North West Provincial Treasury launched the 30 Day Supplier Payment Intervention Programme which was aimed at resolving unpaid invoices and establishing reasons for the backlogs. Amongst other things suppliers are encouraged to make sure that their business documents, including tax compliance statuses do not conflict with what the Central Supplier Database has, of which are some of the major causes of payment backlogs.

MEC Rosho says the Provincial Government does not pride itself with unpaid invoices, and calls on businesses to work together with organs of state in resolving issues that cause payment delays, including escalation of unresolved payment queries to the Provincial Supply Chain Management Directorate.





# Treasury releases annual report on non-compliance with payment of suppliers' invoices

National Treasury has released an annual report on non-compliance with payment of suppliers' invoices within 30 days to date.

The report shows that there was an improvement in the payment of invoices by government to service providers within 30 days in the 2021/22 financial year.

The number of invoices paid after 30 days by national and provincial departments in the 2021/2022 financial year amounted to 401 691 invoices with the Rand value of R 33.7 billion.

The number of invoices older than 30 days and not paid by national and provincial departments at the end of March 2022 amounted to 67 862 with the Rand value of R 6.1 billion. There was a 63% improvement in the number of invoices older than 30 days and not paid at the end of the 2021/2022 financial year, which amounted to 134 invoices to the Rand value of R 5 million when compared to 358 invoices to the Rand value of R426 million reported at the end of the 2020/2021 financial year.

There was, however, a noticeable regression in the number of invoices paid after 30 days by national department and a regression in the number of invoices older than 30 days.

## **Recommendations for improvement:**

- Payment of invoices within 30 days be included in the performance agreements of accounting officers, chief financial officers and other officials working in this area;

- Disciplinary actions against officials who fail to comply with the requirements to pay invoices within 30 days and who undermine the systems of internal control be taken;
- Accounting officers take steps to ensure that the information to be submitted to the relevant treasury is duly signed off and submitted to the relevant treasury as per the timeframes stipulated in the National Treasury Instruction Note number 34;
- Accounting officers and chief financial officers to address the root causes of the late and/or non-payment of invoices to improve compliance with the requirement of Treasury Regulation 8.2.3;
- Payment of suppliers within 30 days be a standing agenda item for discussion at every EXCO meeting of Departments; and
- Accounting officers to consider recommendations provided to improve the level of compliance with the requirement to pay supplier's invoices within 30 days.

The purpose of this annual report is to keep the relevant stakeholders abreast of non-compliance with the legislative requirements to pay supplier's invoices within 30 days and provides a trends analysis of what transpired in the 2021/2022 financial year when comparing with previous financial year analysis.

The annual report also provides common reasons recorded by departments for late and/or non-payment of invoices and the continuous efforts taken by the National Treasury

to improve compliance with the requirements to pay invoices within 30 days.

The National Treasury Instruction Number 34 issued in 2011, requires departments to submit 30 days exception reports to the relevant treasuries by the 7th day of each month, with details of the number and Rand value of invoices paid after 30 days from the date of receiving invoices, the number and Rand value of invoices that are older than 30 days which remained unpaid, and the reasons for the late and/or non-payment of these invoices.

The late and/or non-payment of supplier's invoices have a negative impact on socio and economic challenges that our country is facing. To ensure that supplier operations continue without strain and financial difficulties, government institutions are urged to pay their suppliers on time and not contribute to the dire effects of the pandemic that has already put a strain on the financial sustainability of SMMEs.

The National Treasury continues to monitor the level of compliance with the requirement to pay supplier's invoices within the prescribed period in terms of section 38(1)(f) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) and Treasury Regulation 8.2.3.

More in-depth information may be sourced from the published report on the National Treasury website [www.treasury.gov.za](http://www.treasury.gov.za).

**Source: National Treasury**

# NEWS BITES

The NW Provincial Treasury Human Resources Management Unit conducted Career Guidance Workshops for learners in the province.



The purpose is to inform them about different career paths and opportunities available to them.

The focus is on the learners who are currently doing Grade 12 and learners doing Grade 9, who still need to select subjects moving forward.

Seventeen learners from various secondary schools in Ngaka Modiri Molema District have been afforded with an opportunity to gain insight knowledge of the work environment by North West Provincial Treasury as part of a "Take A Child to Work Campaign"



Learners were placed at various sections of the department for two days (25&26 May) where they had first hand experience of how government business is conducted.

This will also give them an opportunity to choose their career paths wisely.

Mr Bonolo Monye, an employee of the NW Provincial Treasury conducted a presentation and an illustration on the use of drones in the public service



Their ability to help monitor, track, evaluate and accelerate service delivery projects before colleagues in innovation from different NORTH WEST Provincial Government departments and the Centre for Public Service Innovation.

Badiri ba lefapha ba ne ba tswile letsholo mo didikeng tsotlhe tsa profense go thusa dikgwebo-potlana ka kwadiso go CSD.



Badiri ba Provincial Supply Chain Management ba leba kwa mafelong aa farologaneng go thusa go kwadisa bagwebi ba ba eletsang go ka dira kgwebo le puso. Bagwebi ba rotloediwa go tla ka:

1. Company Registration Letter (CIPC)
2. Tax Clearance (SARS)
3. Company Banking Details
4. BBBEE status (fao sena yona ba tla go thusa)