



**TO ALL: ACCOUNTING OFFICERS OF DEPARTMENTS AND
CONSTITUTIONAL INSTITUTIONS**

ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

HEAD OFFICIALS OF PROVINCIAL TREASURIES

**ACCOUNTING OFFICERS OF MUNICIPALITIES AND MUNICIPAL
ENTITIES**

**NATIONAL TREASURY CIRCULAR ON THE TIMEOUS PAYMENT OF INVOICES
AND CLAIMS**

1. The purpose of this Circular is to remind institutions to pay for services and claims within the required period, and accounting officers and accounting authorities to monitor compliance thereof. The Budget Speech of the Minister of Finance on 21 February 2018 underlined this imperative.
2. I refer to previous correspondence of the National Treasury concerning the late or non-payment for services and claims by institutions, i.e.
 - (a) National Treasury circular of 31 May 2010 and Instruction Note No 34 of 30 November 2011; and
 - (b) MFMA Circular No 49 of 29 June 2009.
3. The late or non-payment of valid invoices and claims has dire consequences for both the public and private sectors. Business, in particular small business have raised concerns regarding the delays and non-timeous payment for services rendered, which results in negative impacts on job creation and the economy.
4. Accounting officers and accounting authorities of institutions falling under the scope of the PFMA or the MFMA must ensure that measures are in place to pay valid invoices and claims within 30 days as required by legislation or, where applicable, within the period contractually agreed with suppliers. This includes strengthening internal controls and monitoring of implementation as well as reviewing and, where appropriate, updating the system of delegation.
5. Officials responsible for the late or non-payment of invoices and claims commit financial misconduct or ordinary misconduct. The relevant authorities must institute disciplinary steps against those employees in accordance with

the applicable disciplinary procedures. A failure by the relevant authority to take such steps in itself constitutes non-compliance. Where justified, the National Treasury will utilise available powers including reporting to Parliament or, through Provincial Treasuries, to Provincial Legislatures on the late or non-payment of creditors and, in the case of serious or persistent breaches of measures in the PFMA or the MFMA, the stoppage of funds in terms of section 216 of the Constitution and other applicable legislation.

6. Where a dispute arises, the relevant creditor must be informed in writing within 30 days of receipt of the invoice, or the contractually agreed period of payment, to enable the matter to be resolved amicably between the contracting parties. Facilitation of such disputes may be referred to the National Treasury or the relevant provincial treasury, if another organ of state is party to the dispute.
7. Accounting officers of national departments must please bring the contents of this circular to the attention of all-
 - (a) accounting officers of constitutional institutions that receive transfers and subsidies from their respective votes; and
 - (b) accounting authorities of public entities reporting to their respective executive authorities.
8. Head Officials of Provincial Treasuries are requested to please bring the contents of this circular to the attention of all-
 - (a) accounting officers of departments and accounting authorities of public entities in their respective provinces; and
 - (b) accounting officers of municipalities and municipal entities in their respective provinces.



DONDO MOGAJANE
DIRECTOR-GENERAL

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