



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

TO ALL: ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS

ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY SCM INSTRUCTION NO. 1 OF 2019/2020

REPEAL OF NATIONAL TREASURY SCM INSTRUCTION NO 5 OF 2016/2017 DEALING WITH PAYMENT DUE TO SUPPLIERS/CREDITORS WITHIN 30 DAYS

1. PURPOSE

- 1.1 The purpose of this Instruction Note is to repeal National Treasury SCM Instruction Note No.5 of 2016/2017 that dealt with non-payment of suppliers within the prescribed period of 30 days and to communicate the new process that suppliers must follow to lodge complaints pertaining to late payments.

2. BACKGROUND

- 2.1 The Office Chief Procurement Officer (OCPO) issued SCM Instruction Note 5 of 2016/2017, which came into effect on 1 July 2016 requiring Accounting Officers (AO) of departments to settle all contractual obligations and pay all the money owing, including intergovernmental claims, within the prescribed or agreed period, which in this case is thirty (30) days, in line with Section 38(1) (f), 51(b)(ii) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) and Treasury Regulation 8.2.3.
- 2.2 To give impetus to Instruction Note 5, the (OCPO) implemented a provisional solution by setting up a dedicated call centre to assist affected service providers to lodge the overdue payments complaints via email.
- 2.3 The Forum of South African Directors-General (FOSAD) has since recognised that the late payment of suppliers is seriously impacting the sustainability of SMMEs, it resolved that Department of Planning Monitoring and Evaluation (DPME) and National Treasury (NT) should collaborate on efforts to deal with the non-compliance.

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- 2.4. Further attention to non-payment of suppliers will be implemented in line with Treasury Instruction Note 34 of 2009 through the Office of the Accountant General (OAG). This requires a submission of compliance report on the adherence to National Treasury Regulation 8.2.3 also supported the effort to assist service providers.

3. TRANSITIONAL ARRANGEMENTS

- 3.1 The DPME has established the 30-day payment unit to investigate cases where there is late or non-payment of legitimate invoices within 30 days. The unit is established to follow up on complaints of non-payment of invoices for small business suppliers.

- 3.2 Suppliers are therefore directed to submit the queries of all overdue legitimate invoice through to this email address: 30daypayment@dpme.gov.za at the DPME.

4. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION

- 4.1 Head officials of provincial treasuries must bring the contents of this Instruction Note to the attention of all Accounting Officers and supply chain management officials in their respective provincial departments.

- 4.2 Accounting Officers of departments and constitutional institutions must bring the contents of this Instruction Note to the attention of:

(a) Chief Financial Officers and Supply Chain Management officials of their respective departments; and

(b) All Accounting Authorities of Public Entities reporting to the Executive Authority of their respective departments, if applicable.

- 4.3 Accounting Authorities of Public Entities must bring the contents of this Instruction Note to the attention of Chief Financial Officers and Supply Chain Management officials of their respective public entities.

5. EFFECTIVE DATE

- 5.1 This Treasury Instruction takes effect from 01 May 2019.

6. NOTIFICATION TO THE AUDITOR-GENERAL

- 6.1 The contents of this Instruction Note will be shared with the Auditor-General.

7. REPEAL OF NATIONAL TREASURY SCM INSTRUCTION NOTE NO. 5 OF 2016/2017

- 7.1 This instruction repeals National Treasury SCM Instruction Note No 5 of 2016/2017.

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8. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION

8.1 Accounting officer of national departments are requested to bring the contents of this Treasury Instruction to the attention of all:

(a) Accounting Officers of government components and constitutional institutions that receives transfers and subsidies from its vote and

(b) Accounting Authorities of public entities reporting to their executive authorities

8.2 Head of Provincial Treasuries are required to bring the contents of this Treasury Instruction to the attention of all accounting officers of departments and accounting authorities of public entities in their respective provinces.

9. CONTACT INFORMATION

Enquiries related to this Treasury Instruction may be directed to:

Ms. Rakgadi Motseto

Chief Director: SCM Stakeholder and Clients Management

Office of the Chief Procurement Officer

Phone: 012 406 9088

Email: rakgadi.motseto@treasury.gov.za


ZANELE MXUNYELWA
ACTING ACCOUNTANT - GENERAL

DATE: 11 April 2019