

## NATIONAL COUNCIL OF PROVINCES QUESTION 145

### 145. Mr K A Sinclair (COPE-NC) to ask the Minister of Energy:

- (1) Whether her department has any (a) necessary financial controls and (b) policies in place to ensure the timely payment of creditors; if not, why not; if so, (i) what is the normal turnaround time for the payment of creditors and (ii) what measures are in place to ensure that guidelines are stringently followed;
- (2) What are the reasons for the nine months late payment to service providers for the Solar Conference that was held in Upington in 2010? CW 171E

## REPLY

- 1) (a) The Department has the necessary financial controls in place.  
(b) There are approved Payment policies and Payment procedures within the department. Compliance to the approved policies and processes by the employees and its suppliers does enable timeous payments.  
(i) The turnaround time for the payment of creditors is normally 21 days.  
(ii) There is an Internal Control Sub Directorate within the Finance Branch who review all payment registers to ensure compliance to policies and procedures, including the payment terms of its creditors.
- (2) The delay for the payment of service providers for the Solar Park Conference and Public Participation was due to the following:  
(a) The Upington Solar Park Conference was initially planned for 300 guests only. However on the day of registration, we realised that the conference was oversubscribed by close to 500 guests most of whom were international potential investors who did not RSVP. This meant additional catering, documentation and other logistical requirements needed to ensure the success of the conference. Additional services meant that service providers also had to amend invoices.  
(b) We approached the Northern Cape Provincial Government to partner with the Department in hosting the Conference. During our interaction with the Province for the payment of service providers, the Province requested that we sign the MOU between the Department and the Province before funding could be transferred to the department for the payment of service providers. This was a long process since we had to involve

our Legal Service Directorate to ensure that everything was done procedurally and legally correct before the Director-General can sign the MOU. The transfer was made on 25 March 2011, and the service providers were paid on 05 and 06 April 2011.