

Broke and tardy Bhisho still owes small businesses R3.5bn

MFUNDO PILISO

The Eastern Cape government owes local small businesses R3.5bn with 24,222 invoices still unpaid from the last financial year.

This is according to finance MEC Mlungisi Mvoko who was responding to a parliamentary question by DA MPL Bobby Stevenson this week.

Mvoko confirmed that the 24,222 invoices had gone unpaid for more than 30 days, and were still outstanding at the end of March 31.

He said the vast majority of these invoices were owed by the department of health, with 23,733 invoices totalling a staggering R3bn unpaid.

He said the health department's failure to pay suppliers was because suppliers' bank details on invoices differed with those on the Central Supplier Database.

Some invoices were still waiting for authorisation, but there was also the problem of a lack of funds for major accounts.

Mvoko also revealed that basic education had 429 unprocessed invoices amounting to R557m due to cash flow "challenges".

The transport department had yet to process 28 invoices amounting to R2,215,431 because of delays in committing

projects and unresolved scholar transport queries.

Mvoko said: "Provincial treasury and the office of the premier conducted research focusing on these two departments [health and education]. [These] departments have submitted implementation plans on research recommendations.

"The treasury and premier's office will continue to monitor and evaluate progress.

"Treasury facilitates a dedicated monthly creditor forum, which is a working forum that provides monitoring and assistance to health and education.

"The forum includes a number of role players from budget, supply chain, infrastructure and accounting services," Mvoko said.

He said the office of the premier had four unpaid invoices amounting to R4,153,311 with one of the invoices having been rejected for supplier banking details by the bank.

Three invoices were not paid because of insufficient funds.

Social development has eight outstanding invoices totalling R73,719 pending resolution of disputes.

Public works had 13 unprocessed invoices amounting to R1,392,278 due to insufficient cash in the department's bank

account and to non-reimbursement of monies paid in respect of the departments of education and health.

Human settlement had seven unpaid invoices amounting to R68,552 due to delays in the development of expenditure approval and commitments.

The department of sport, recreation, arts & culture had four unpaid invoices totalling R39,758, of which there were queries on three invoices amounting to R36,293. One invoice amounting to R3,465 needed to be cleared from the system.

Stevenson highlighted the need for the health department to be put under administration and for a financial recovery plan for the department to be put in place.

"Only 7% of the health department's budget is available for goods and services.

"It is clear that no-one wants to take responsibility for this wayward department, which focuses more on creating jobs for cadres in a bloated bureaucratic administration, than in filling critical vacant funded medical posts that will save lives," Stevenson said.

"With funds at hospitals already running out, it is simply unacceptable that service providers go home with empty pockets, while the department

makes space for more millionaire cadres."

Stevenson was concerned that more than half a billion rand was owed by the education department.

"This is the same department which was dragged before the courts over an irregular multimillion-rand tablet contract with Sizwe Africa.

"The same department that doled out millions from its infrastructure budget to pay for PPE [personal protective equipment] supplied by hairdressers and estate agents at drastically inflated prices."

Black Business Forum president Luthando Bara said: "The provincial government is clearly not serious about addressing the scourge of late payments which has become rampant in government.

"This deliberate disregard of constitutional obligations cannot go unpunished. Nonpayment of suppliers is a crime against black businesses in particular.

"Government is duty bound to correct itself and avoid wasteful and litigious ways of resolving this which we are now forced to adopt."

Bara implored premier Oscar Mabuyane to "now show leadership on this and deal decisively with delinquent departments and their heads".