



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

2023/24 ANNUAL REPORT ON NON-COMPLIANCE WITH PAYMENT OF SUPPLIERS' INVOICES WITHIN 30 DAYS

National Treasury has today released an Annual Report on non-compliance with payment of suppliers' invoices within 30 days. The report, compiled from exception reports submitted to National Treasury by national and provincial government departments, shows an overall regression in the number of invoices not paid within 30 days by national and provincial departments in the 2023/24 financial year. National Treasury has been compiling the annual reports on payment of suppliers to raise awareness around the non-payment of supplier's invoices and to recommend ways to improve compliance with the requirement to pay supplier's invoices within 30 days from receipt of an invoice as required by legislation.

The late and/or non-payment of supplier's invoices impacts negatively on, amongst others, socio-economic challenges such as high unemployment, inequality, poverty; the financial health of suppliers who are forced to borrow to keep financially afloat; and the ability of suppliers to pay salaries and meet their contractual obligations. Timeous payment of suppliers is important for improving economic growth and reducing poverty, inequality and unemployment.

The number of invoices paid after 30 days by national and provincial departments in the 2023/24 financial year amounted to 362 068 invoices to the rand value of R35.1 billion. The R35.1 billion, although paid late, was settled and paid during the 2023/24 financial year. The number of invoices older than 30 days and not paid by national and provincial departments at the end of March 2024 amounted to 114 908 to the rand value of R10.7 billion.

National departments recorded an improvement of R13 million of invoices outstanding from the previous financial year end, whilst there was a regression of 24% in the number of invoices older than 30 days and not paid at the end of March 2024, which amounted to 1 427 invoices to the rand



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value of R53 million when compared to 1 149 invoices to the rand value of R66 million reported at the end of March 2023.

Provincial departments recorded a regression of 53% in the number of invoices older than 30 days and not paid at the end of the 2023/24 financial year which amounted to 113 481 invoices to the rand value of R10.6 billion when compared to 73 974 invoices to the rand value of R6.8 billion reported at the end of March 2023.

The enclosed **Annexure A** provides a summary of information on the number and rand value of invoices not paid within 30 days by national and provincial departments during the 2023/24 financial year, when compared with the 2022/23 financial year.

During the 2023/24 financial year, National Treasury continued to monitor, address and respond to queries on non-payment of supplier's invoices through a centralised email system dedicated to receiving queries from suppliers. National Treasury received 245 queries to the value of R198 million in the 2023/24 financial year. Of the 245 queries received, 127 queries or 52% to the value of R103 million related to provincial institutions and were escalated to provincial treasuries for their intervention. Through the intervention of the Office of Accountant-General, fifty-four (54) queries to the value of R58 million were resolved and payments were made to suppliers in the 2023/24 financial year.

National Treasury is in the process of adapting existing transversal systems to identify and track late payments, and has in the interim recommended the following for improvements:

- Accounting officers and chief financial officers should address the root causes of the late and/or non-payment of invoices to improve compliance with the requirements of Treasury Regulation 8.2.3;



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- Accounting officers should take steps to ensure that the information 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 34 of 2011;
- Payment of suppliers within 30 days must be a standing agenda item for discussion at every EXCO meeting of departments; and
- Disciplinary actions be taken against officials who fail to comply with the requirements to pay invoices within 30 days and who undermine the systems of internal controls.

For media inquiries, contact Media@treasury.gov.za

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