



# **NON-COMPLIANCE WITH PAYMENTS OF SUPPLIER'S INVOICES WITHIN 30 DAYS**

## **ANNUAL REPORT**

**FOR 2024/25**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



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## **1. Purpose**

The purpose of this Annual Report is to furnish relevant stakeholders<sup>1</sup> with information regarding the extent to which national and provincial departments adhere to the legislative requirements to settle suppliers' invoices within 30 days. Additionally, it will offer a trend analysis of the late payments made to suppliers during the 2024/25 financial year and a comparison to the 2023/24 financial year.

The Annual Report also outlines the common reasons recorded by national and provincial departments for the late and/or non-payment of invoices, as well as the initiatives taken by the National Treasury to assist institutions in improving compliance with the legislative requirements to pay supplier's invoices within 30 days.

## **2. Legislative Framework**

In terms of section 38(1)(f) of the Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999), the Accounting Officer for a department must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period.

Treasury Regulation 8.2.3 states that, "Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, the date of settlement or court judgment".

The National Treasury Instruction No. 34 issued in November 2011 requires Accounting Officers for departments to submit exception reports to the relevant Treasuries by the 7<sup>th</sup> day of each month and Provincial Treasuries to submit the consolidated reports to the National Treasury by the 15<sup>th</sup> day of each month with the following information:

- a) the number and rand value of invoices paid after 30 days from the date of receiving invoices;
- b) the number and rand value of invoices older than 30 days and which have not been paid; and
- c) the reasons for the late and/or non-payment of the invoices referred to in (a) and (b) above.

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<sup>1</sup> Relevant stakeholders are the Standing Committee on Public Accounts (SCOPA), Standing Committee on Finance (SCoF), the Public Service Commission, the Department of Planning Monitoring and Evaluation and the Department of Small Business and Development.

### 3. Executive Summary

The late and non-payment of supplier's invoices continues to negatively impact the financial well-being of small and medium enterprises. This situation is compounded by the country's socio-economic challenges, such as high unemployment, income inequality, and limited access to finance for small and medium enterprises. When suppliers struggle to receive timely payments, they may face cash flow difficulties, which can reduce their ability to invest, maintain quality, or even stay operational. Consequently, this can hinder economic growth, exacerbate unemployment, and deepen social disparities, creating a cycle of financial instability and social hardship across communities.

#### Monthly exception reports – submission rates

During the 2024/25 financial year, there was a 100% submission rate by national departments and provincial treasuries of their monthly exception reports on the late and/or non-payment of supplier's invoices within 30 days to the National Treasury. However, only 85% of national departments and 85% of provincial treasuries timeously submitted these reports by the legislated date as required by the National Treasury Instruction 34 of 2011.

#### Summary of the national and provincial departments' analysis

Table 1 below provides the number and rand value of invoices not paid within 30 days by national and provincial departments in the 2024/25 financial year when compared with the 2023/24 financial year.

**Table 1: Summary of the number and rand value of invoices not paid within 30 days by national and**

Table 1: National and provincial departments Summary of the number and rand value of invoices not paid within 30 days				
	Invoices paid after 30 days		Invoices older than 30 days and not paid at the end of the financial year	
	Number of invoices	Rand value of invoices	Number of invoices	Rand value of invoices
<b>2024/25 Financial Year</b>				
National Departments	143 245	R 6 399 783 505	2 437	R 381 228 058
Provincial Departments	320 943	R 37 181 431 488	140 364	R 17 796 846 663
<b>Total</b>	<b>464 188</b>	<b>R 43 581 214 993</b>	<b>142 801</b>	<b>R 18 178 074 721</b>
<b>2023/24 Financial Year</b>				
National Departments	108 917	R 4 553 158 039	1 427	R 52 840 277
Provincial Departments	253 151	R 30 514 058 833	113 481	R 10 611 800 305
<b>Total</b>	<b>362 068</b>	<b>R 35 067 216 873</b>	<b>114 908</b>	<b>R 10 664 640 583</b>

Table 1 illustrates that the number of invoices paid after 30 days by national and provincial departments during the 2024/25 financial year amounted to 464,188 invoices with a rand value of R43.6 billion.

This represents a **regression of 28% or 102,120 invoices** when compared to the number of invoices paid after 30 days 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 2025 amounted to 142,801 invoices with a rand value of R18.2 billion. This represents a **regression of 24% or 27,893 invoices** when compared to the number of invoices older than 30 days and not paid at the end of March 2024.

The analysis indicates that national departments are responsible for 31% of invoices paid after 30 days during the 2024/25 financial year and are responsible for 2% of invoices older than 30 days and not paid at the end of March 2025.

Provincial departments are responsible for 69% of invoices paid after 30 days during the 2024/25 financial year and are also responsible for 98% of invoices older than 30 days and not paid at the end of March 2025.

The analysis revealed a **regression of 28% or 102,120 invoices** when comparing the total number of invoices paid after 30 days by national and provincial departments to that of the 2023/24 financial year. The analysis further revealed a **regression of 24% or 27,893 invoices** when comparing the total number of invoices older than 30 days and not paid by national and provincial departments at the end of March 2024.

### National Departments

The number of invoices paid after 30 days by national departments during the 2024/25 financial year amounted to 143,245 invoices with a rand value of R6.4 billion. This represents a **regression of 32% or 34,328 invoices** when compared to the number of invoices paid after 30 days during the 2023/24 financial year.

The number of invoices older than 30 days and not paid by national departments at the end of March 2025 amounted to 2,437 invoices with a rand value of R381 million. This represents a **regression of 71% or 1,010 invoices** when compared to the number of invoices older than 30 days and not paid at the end of March 2024.

The **top five (5) national departments** that contributed the highest number and rand value towards the late and/or non-payment of invoices during the 2024/25 financial year are as follows:

Invoices paid after 30 days	Invoices older than 30 days and not paid
1. Defence	1. Justice and Constitutional Development
2. Public Works and Infrastructure (Trading Account)	2. Public Works and Infrastructure (Trading Account)
3. Correctional Services	3. Agriculture, Land Reform and Rural Development
4. Transport	
5. Water and Sanitation (Vote account)	

## Provincial Departments

The number of invoices paid after 30 days by provincial departments during the 2024/25 financial year amounted to 320,943 invoices with a rand value of R37.2 billion. This represents a **regression of 27% or 67,792 invoices** when compared to the number of invoices paid after 30 days during the 2023/24 financial year.

The number of invoices older than 30 days and not paid by provincial departments at the end of March 2025 amounted to 140,364 invoices with a rand value of R18 billion. This represents a **regression of 24% or 26,883 invoices** when compared to the number of invoices older than 30 days and not paid at the end of March 2024.

The **top three (3) provinces** whose departments contributed the highest number and rand value towards the late and/or non-payment of invoices during the 2024/25 financial year are as follows:

Invoices paid after 30 days	Invoices older than 30 days and not paid
1. Gauteng	1. Eastern Cape
2. KwaZulu-Natal	2. Gauteng
3. North-West	3. Kwazulu-Natal

## Common reasons for late and/or non-payment of invoices

The common reasons provided by national and provincial departments for the late or non-payment of invoices during the 2024/25 financial year included inadequate budgets and cash blocking; financial system challenges (BAS and LOGIS); Central Supplier Database (CSD) challenges; high accruals from previous financial years; disputed invoices with suppliers; unresolved SCM challenges; internal control deficiencies; inadequate internal capacity; late processing and authorisation of invoices; and misfiled, misplaced or unrecorded invoices.

## Interventions by the Office of the Accountant-General

The total number of queries on non-payment of supplier's invoices received from suppliers during the 2024/25 financial year amounted to 314, with a rand value of R314 million. The majority, which amounts to 50% of these queries related to provincial institutions and 34% related to national institutions. Queries related to municipalities amounted to 16%. *From the intervention of the National Treasury through the Office of the Accountant-General, seventy-six (76) queries to the rand value of R21 million were resolved, and payments were made to suppliers during the 2024/25 financial year.*

Further interventions are being planned as contained in the MTDP, 2024-2029, with the development of an automated system that will enable the government to track invoices received from suppliers and a revised Treasury Instruction on payment of invoices within 30 days.

## 4. National Departments Analysis

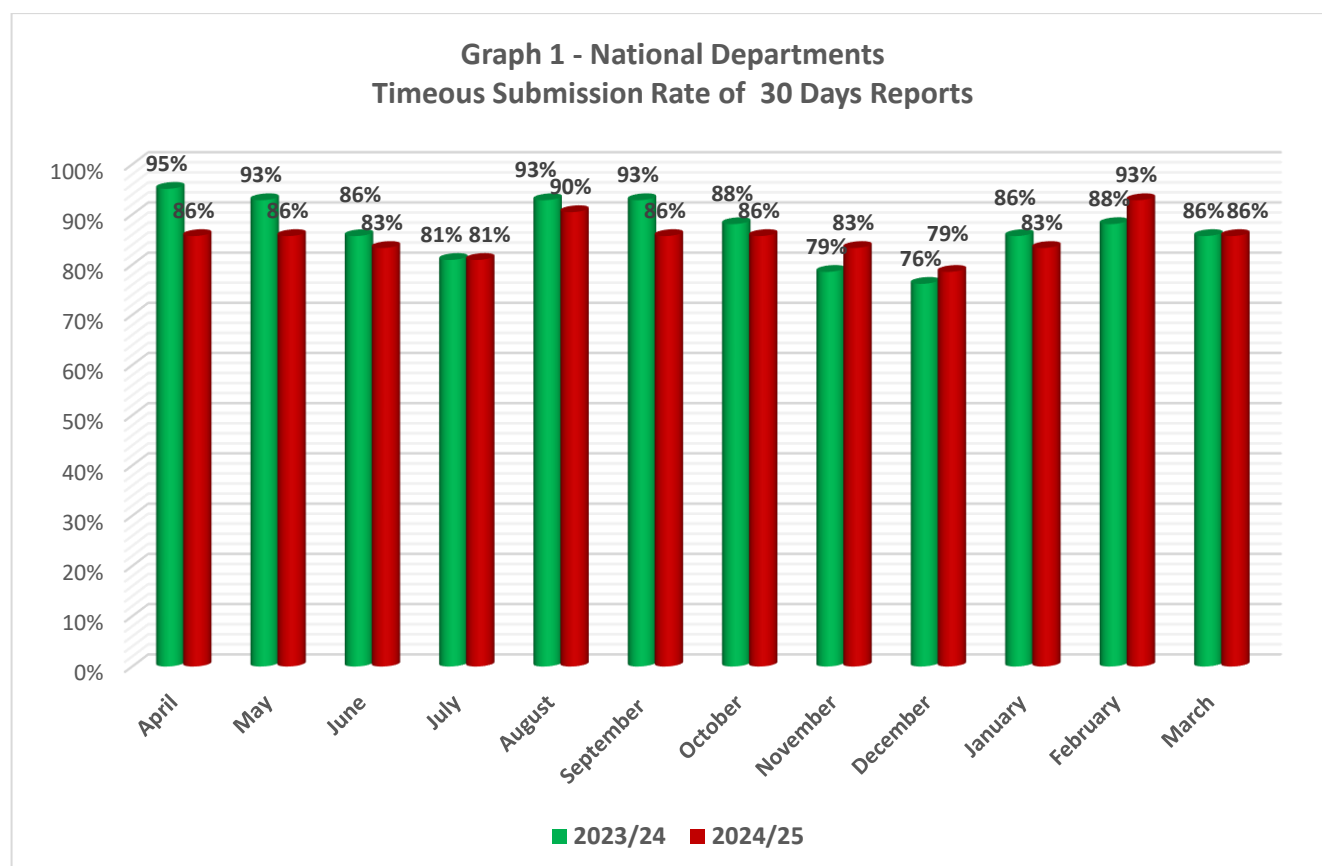
### 4.1 Submission of the 30-day exception reports

The analysis is based on the information submitted by national departments during the 2024/25 financial year. National departments are required to submit exception reports to the National Treasury by the 7<sup>th</sup> day of each month with information in respect of the preceding month.

All national departments submitted their monthly exception reports on late and/or non-payment of invoices within 30 days to the National Treasury during the 2024/25 financial year, however, not all national departments submitted their monthly exception reports by the 7<sup>th</sup> day of each month as required, resulting in national departments achieving an average timeous submission rate of 85% during the 2024/25 financial year.

**Graph 1** below provides a month-to-month comparative analysis of **the timeous submission rate of monthly reports** by national departments during the 2024/25 and 2023/24 financial years.

**Graph 1: National departments – Timeous submission rate of monthly reports**



Graph 1 illustrates that not all national departments managed to submit monthly exception reports timeously to the National Treasury, resulting in the national departments achieving an average timeous submission rate of 85% during the 2024/25 financial year, representing a **regression of 2%** when compared with the average timeous submission rate of 87% achieved during the 2023/24 financial year.

The graph further indicates that during the 2024/25 financial year, national departments achieved the lowest average timeous submission rate of 79% in December 2024.

**Table 2** below provides a list of national departments that achieved a 100% compliance rate on the submission of the 30 days exception reports timeously during the 2024/25 financial year.

**Table 2 – Departments that submitted all their monthly reports timeously**

<b>Table 2: National Departments that submitted exception reports timeously</b> <b>2024/25 financial year</b>					
	Department	Exception Reports Submitted		Exception Reports Submitted Timeously	
		Number	%	Number	%
1	Communications and Digital Technologies	12	100%	12	100%
2	Defence	12	100%	12	100%
3	Government Communication and Information Systems	12	100%	12	100%
4	Higher Education and Training	12	100%	12	100%
5	Home Affairs	12	100%	12	100%
6	Independent Police Investigative Directorate	12	100%	12	100%
7	Justice and Constitutional Development	12	100%	12	100%
8	Mineral Resources and Energy	12	100%	12	100%
9	National School of Government	12	100%	12	100%
10	National Treasury	12	100%	12	100%
11	Planning, Monitoring, and Evaluation	12	100%	12	100%
12	Police	12	100%	12	100%
13	Public Service Commission	12	100%	12	100%
14	Public Works and Infrastructure (Main Account)	12	100%	12	100%
15	Office of the Chief Justice	12	100%	12	100%
16	Science and Innovation	12	100%	12	100%
17	Small Business Development	12	100%	12	100%
18	Sports, Arts and Culture	12	100%	12	100%
19	Statistics South Africa	12	100%	12	100%
20	Tourism	12	100%	12	100%
21	Trade, Industry and Competition	12	100%	12	100%
22	Water and Sanitation (Main Account)	12	100%	12	100%

Table 2 above illustrates that twenty-two (22) or 52% of national departments submitted all their monthly exception reports timeously to National Treasury as required by the National Treasury Instruction 34 of 2011 in the 2024/25 financial year. This represents a **regression of 8%** when compared to the number of national departments that submitted all their monthly exception reports timeously in the 2023/24 financial year, where 60% of national departments submitted monthly exception reports timeously.

**Table 3** below provides a list of national departments that did not submit their monthly reports on time during the 2024/25 financial year

**Table 3 – National Departments that did not submit monthly reports on time**

<b>Table 3: National Departments that did not submit monthly reports on time 2024/25 financial year</b>					
	<b>Department</b>	<b>Exception Reports Submitted</b>		<b>Exception Reports Submitted Timeously</b>	
		<b>Number</b>	<b>Annual %</b>	<b>Number</b>	<b>Annual %</b>
1	Cooperative Governance	12	100%	11	92%
2	Correctional Services	12	100%	11	92%
3	Forestry, Fisheries and Environment	12	100%	11	92%
4	Human Settlements	12	100%	11	92%
5	Military Veterans	12	100%	11	92%
6	Presidency	12	100%	11	92%
7	Public Enterprises	12	100%	11	92%
8	Public Service and Administration	12	100%	11	92%
9	Public Works and Infrastructure (Trading Account)	12	100%	11	92%
10	Traditional Affairs	12	100%	11	92%
11	Water and Sanitation (Trading Account)	12	100%	11	92%
12	Social Development	12	100%	10	83%
13	International Relations and Cooperation	12	100%	10	83%
14	Health	12	100%	8	67%
15	Women, Youth, and Persons with Disabilities	12	100%	7	58%
16	Basic Education	12	100%	6	50%
17	Transport	12	100%	2	17%
18	Civilian Secretariat for the Police Service	12	100%	1	8%
19	Agriculture, Land Reform and Rural Development	12	100%	0	0%
20	Employment and Labour	12	100%	0	0%

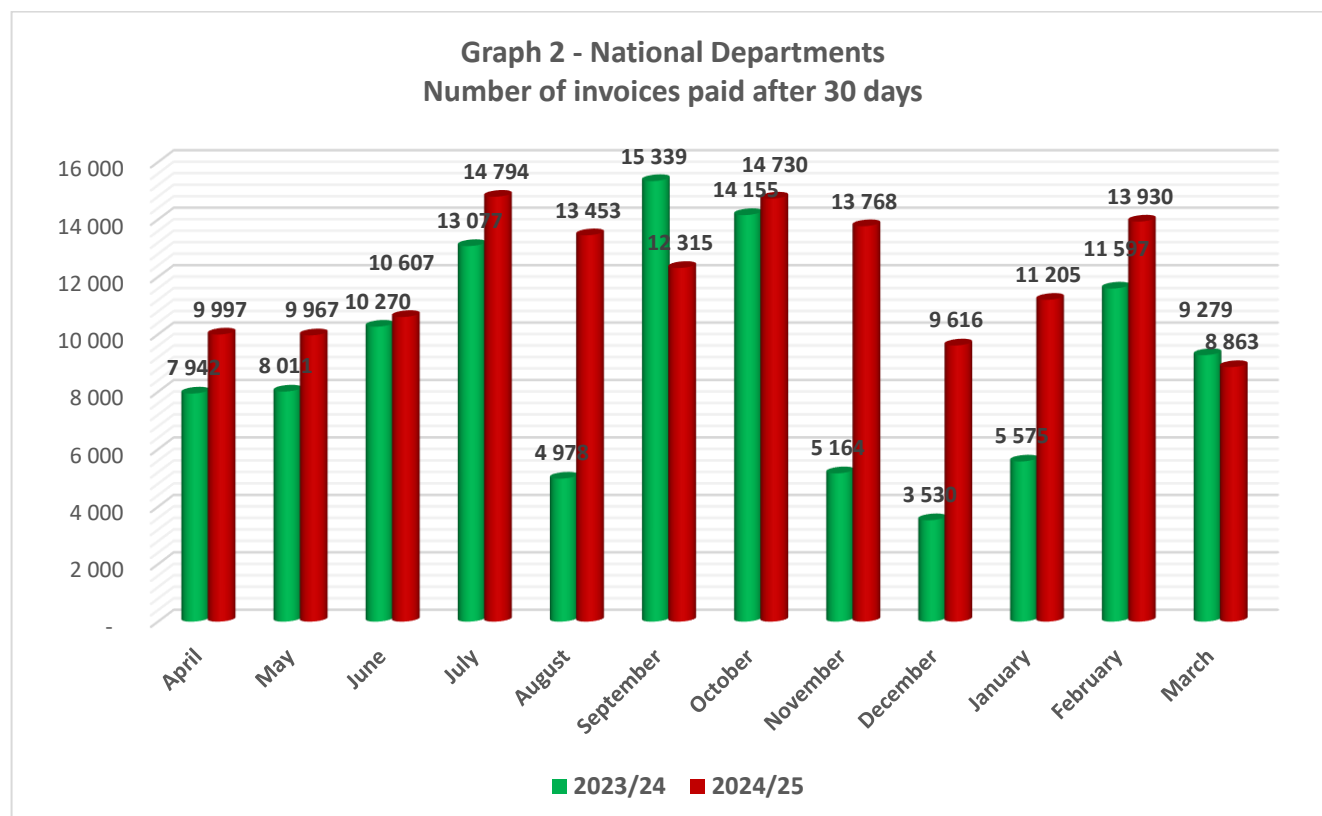
Table 3 above illustrates that twenty (20) or 48% of national departments did not submit their monthly exception reports on time to the National Treasury during the 2024/25 financial year. This represents a **regression of 12%** when compared to the 36% of national departments that did not submit their monthly exception reports timeously in the 2023/24 financial year.

The Department of Agriculture, Land Reform and Rural Development and the Department of Employment and Labour had a zero-compliance rate for the timeous submission of all twelve (12) of their monthly exception reports to the National Treasury during the 2024/25 financial year.

## 4.2 Number of invoices paid after 30 days

**Graph 2** below provides a month-to-month comparative analysis of the **number of invoices paid after 30 days** by national departments in the 2024/25 and 2023/24 financial years.

**Graph 2: National departments – Number of invoices paid after 30 days**



The total number of invoices paid after 30 days by national departments during the 2024/25 financial year amounted to 143,245 invoices, and this represents a **regression of 32% or 34,328 invoices** when compared to the 2023/24 financial year, which amounted to 108,917 invoices.

The annual average number of invoices paid after 30 days by national departments during the 2024/25 financial year was 11,937 invoices, an increase of 2861 invoices from the annual average number of invoices paid after 30 days in the 2023/24 financial year, which was 9,076 invoices.

**Table 5** below provides a list of national departments that reported invoices paid after 30 days to the National Treasury during the 2024/25 financial year.

**Table 5 – National departments that reported invoices paid after 30 days**

	Department	Invoices paid after 30 days	Rand Value
1	Defence	108 841	R 1 981 586 074
2	Public Works and Infrastructure (Trading Account)	12 075	R 1 056 403 030
3	Correctional Services	9 759	R 1 670 627 571
4	Transport	2 821	R 21 113 289
5	Water and Sanitation (Main Account)	1 901	R 155 595 874

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6	Agriculture, Land Reform and Rural Development	1 929	R 720 143 089
7	Police	1 012	R 89 701 508
8	Basic Education	978	R 299 868 085
9	Justice and Constitutional Development	963	R 13 978 959
10	Water and Sanitation (Trading Account)	559	R 4 884 630
11	Office of the Chief Justice	554	R 22 330 587
12	Public Works and Infrastructure (Main Account)	434	R 29 394 858
13	Government Communication and Information Systems	424	R 10 962 640
14	Military Veterans	400	R 13 073 139
15	Home Affairs	337	R 131 165 169
16	International Relations and Cooperation	98	R 8 707 623
17	Social Development	40	R 8 672 487
18	Employment and Labour	33	R 146 668 317
19	Women, Youth and Persons with Disabilities	29	R 1 500 581
20	Forestry, Fisheries and Environment	16	R 9 414 346
21	Independent Police Investigative Directorate	15	R 1 218 156
22	Higher Education and Training	7	R 1 727 184
23	Health	7	R 637 787
24	Tourism	4	R 62 332
25	Trade, Industry and Competition	4	R 181 560
26	Science and Innovation	3	R 142 505
27	The Presidency	2	R 22 123
<b>Total</b>		<b>143 245</b>	<b>R 6 399 783 505</b>

Table 5 above illustrates that twenty-seven (27) national departments reported 143,245 invoices paid after 30 days during the 2024/25 financial year to the rand value of R6.4 billion. The Department of Defence reported the highest number of invoices paid after 30 days, which amounted to 108,841 invoices or 76% of the total invoices paid after 30 days by national departments during the 2024/25 financial year.

The following fifteen (15) national departments paid all their invoices within 30 days as per legislative requirements and did not record any invoice paid after 30 days nor any outstanding invoices during the period under review:

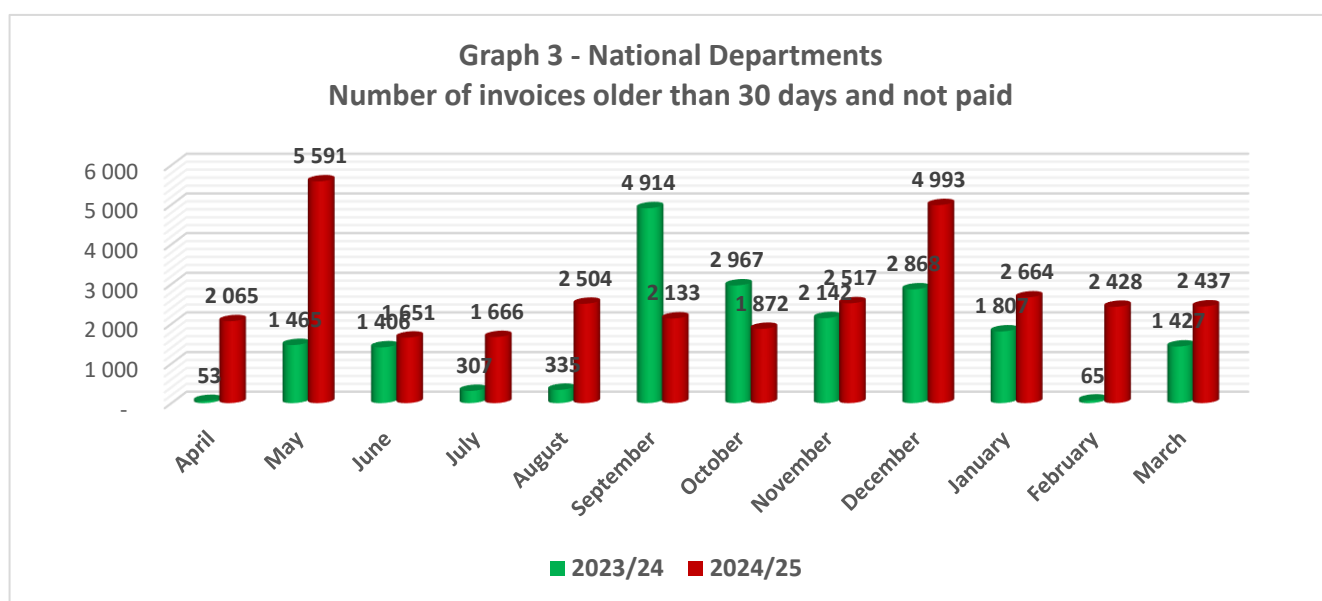
1.	Civilian Secretariat for the Police Service
2.	Communications and Digital Technologies
3.	Cooperative Governance
4.	Human Settlements
5.	Mineral Resources and Energy
6.	National School of Government
7.	National Treasury
8.	Planning, Monitoring and Evaluation
9.	Public Enterprises
10.	Public Service and Administration

11. Public Service Commission
12. Small Business Development
13. Sports, Arts and Culture
14. Statistics South Africa
15. Traditional Affairs

#### 4.3 Number of invoices older than 30 days and not paid

**Graph 3** below provides a month-to-month comparative analysis of the **number of invoices older than 30 days and not paid** at the end of the 2024/25 and 2023/24 financial years.

**Graph 3: National departments – Number of invoices older than 30 days and not paid**



The total number of invoices older than 30 days and not paid by national departments at the end of the 2024/25 financial year amounted to 2,437 invoices, representing a **regression of 71% or 1,010 invoices** when compared to the number of invoices older than 30 days and not paid at the end of the 2023/24 financial year which amounted to 1,427 invoices. The month of May 2024 recorded the highest number of invoices older than 30 days and not paid, which amounted to 5,591 invoices.

**Table 6** below provides a list of national departments that reported unpaid invoices to the National Treasury at the end of the 2024/25 financial year.

**Table 6 – National departments that reported invoices older than 30 days and not paid**

Table 6: National Departments that reported unpaid invoices at the end of the 2024/25 financial year					
	Department	Unpaid Invoices	Rand Value		% of Unpaid Invoices
1	Employment and Labour	1	R	18 480	-
2	Public Works and Infrastructure (Main Account)	1	R	475 123	-
3	Forestry, Fisheries and Environment	2	R	511 587	-
4	Water and Sanitation (Trading Account)	9	R	9 805	-

**ANNUAL REPORT ON NON-COMPLIANCE WITH PAYMENT OF SUPPLIER'S INVOICES WITHIN 30 DAYS  
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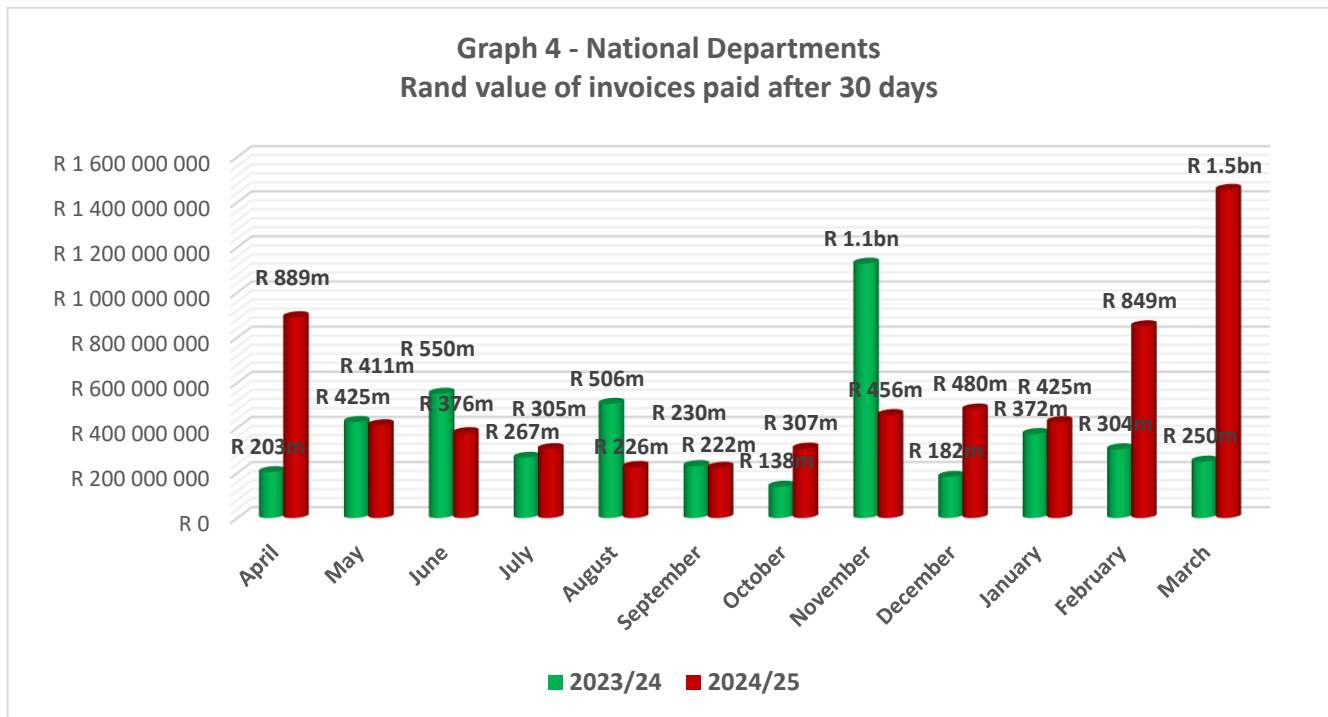
5	Water and Sanitation (Main Account)	27	R 53 266 319	1%
6	Agriculture, Land Reform and Rural Development	235	R 1 634 756	10%
7	Public Works and Infrastructure (Trading Account)	473	R 266 727 807	19%
8	Justice and Constitutional Development	1 689	R 58 584 182	69%
	<b>Total</b>	<b>2 437</b>	<b>R 381 228 058</b>	<b>100%</b>

Table 6 above illustrates that eight (8) national departments reported 2,437 invoices older than 30 days and not paid at the end of the 2024/25 financial year, to the rand value of R381 million. The Department of Justice and Constitutional Development reported the highest number of invoices older than 30 days and not paid at the end of the financial year, which amounted to 1,689 invoices or 69% of the total invoices older than 30 days and not paid by national departments at the end of the 2024/25 financial year.

#### 4.4 Rand value of invoices paid after 30 days

**Graph 4** below provides a month-to-month comparative analysis of the **rand value of invoices paid after 30 days** in the 2024/25 and 2023/24 financial years.

**Graph 4: National departments – Rand value of invoices paid after 30 days**



The rand value of invoices paid after 30 days by national departments during the 2024/25 financial year amounted to R6.4 billion, which indicates **a regression of 39% or R1.8 billion**, compared to the rand value of invoices paid after 30 days by the national departments during the 2023/24 financial year which amounted to R4.6 billion.

The annual average rand value of invoices paid after 30 days by national departments during the 2024/25 financial year amounted to R533 million indicating **a regression of 41% or R154 million**

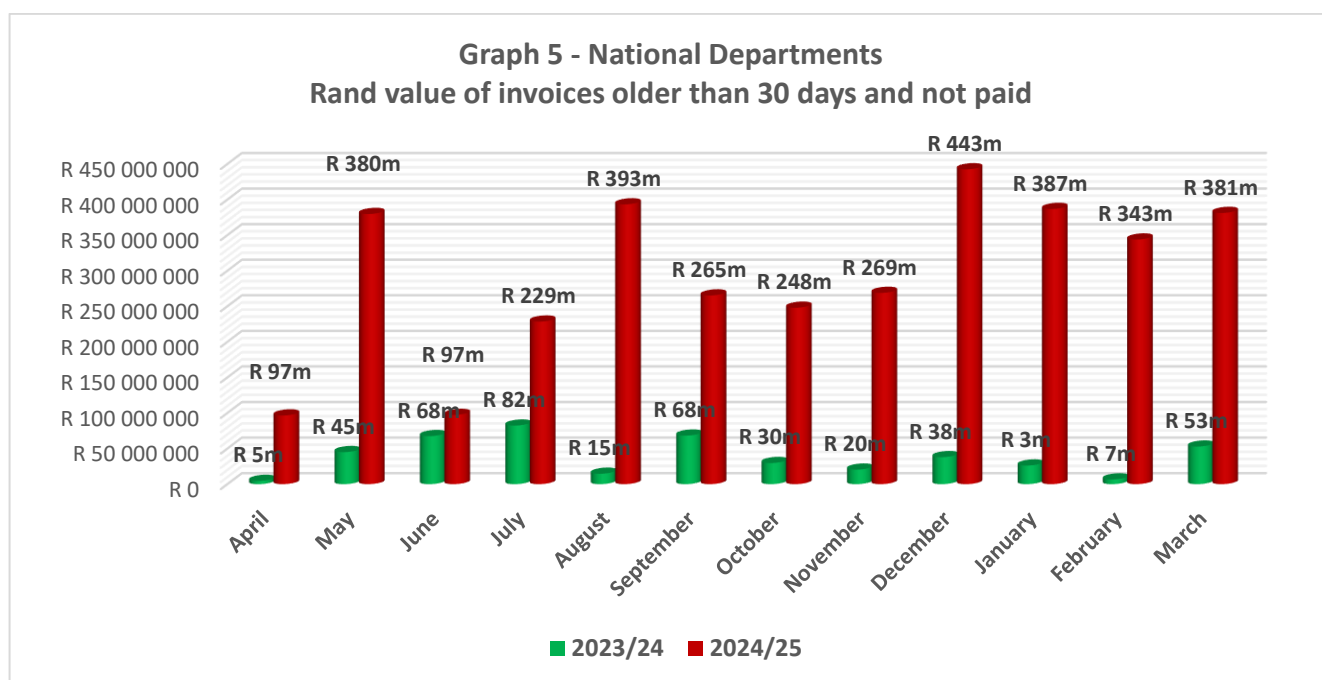
compared to the annual average rand value of invoices paid after 30 days by national departments during the 2023/24 financial year which amounted to R379 million.

Department of Defence reported the highest rand value of invoices paid after 30 days during the 2024/25 financial year, which amounted to R2.0 billion. Correctional Services reported the second-highest rand value of invoices paid after 30 days, which amounted to R1.7 billion. Public Works and Infrastructure (Trading Account) reported the third-highest rand value of invoices paid after 30 days, which amounted to R1.1 billion during the same period.

#### 4.5 Rand value of invoices older than 30 days and not paid

Graph 5 below provides a month-to-month comparative analysis of the **rand value of invoices older than 30 days and not paid** at the end of the 2024/25 and 2023/24 financial years.

**Graph 5: National departments – Rand value of invoices older than 30 days and not paid**



The rand value of invoices older than 30 days and not paid by national departments at the end of the 2024/25 financial year amounted to R381 million indicating **a regression of R328 million** when compared to the rand value of invoices older than 30 days and not paid by national departments at the end of the 2023/24 financial year, which amounted to R53 million.

The Department of Public Works and Infrastructure (Trading Account) reported the highest rand value of invoices older than 30 days and not paid at the end of the 2024/25 financial year, which amounted to R267 million.

The Department of Justice and Constitutional Development reported the second-highest rand value of invoices older than 30 days and not paid, which amounted to R59 million. The Department of Water and Sanitation (Main Account) reported the third-highest rand value of invoices older than 30 days and not paid, which amounted to R53 million during the same period.

## 5. Provincial Departments Analysis

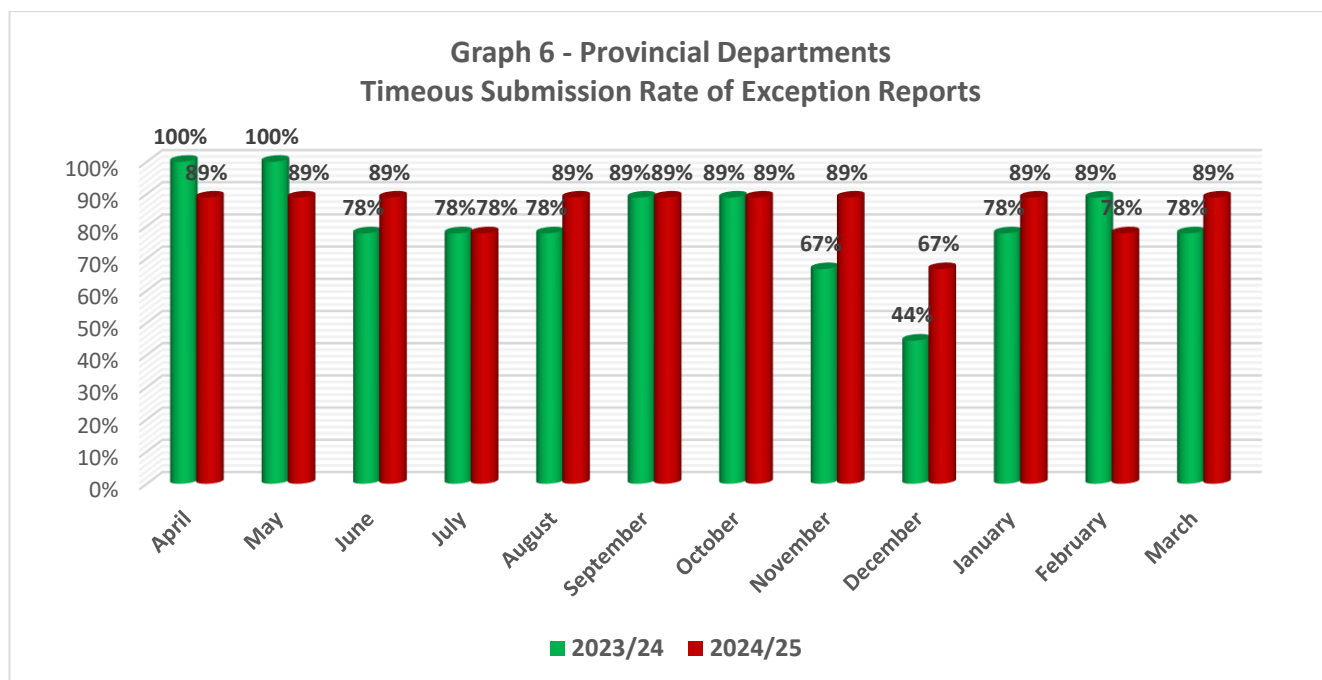
### 5.1 Submission of the 30-day exception reports

This analysis is based on the information submitted by provincial treasuries on behalf of their respective provincial departments during the 2024/25 financial year. Provincial treasuries are required to submit consolidated information on behalf of their respective provincial departments to the National Treasury by the 15<sup>th</sup> day of each month, with information in respect of the preceding month.

All provincial treasuries submitted consolidated reports on the late and/or non-payment of invoices to the National Treasury during the 2024/25 financial year, however, not all provincial treasuries managed to submit their consolidated reports on or before the 15<sup>th</sup> of each month, resulting in provincial treasuries achieving an average timeous submission rate of 85% during the 2024/25 financial year.

**Graph 6** below provides a month-to-month comparative analysis of **the timeous submission rate of consolidated information** by provincial treasuries during the 2024/25 and 2023/24 financial years.

**Graph 6: Provincial departments – Timeous submission rate of exception reports**



Graph 6 illustrates that not all provincial treasuries managed to submit monthly exception reports timeously to the National Treasury, resulting in the provincial treasuries achieving an average timeous submission rate of 85% during the 2024/25 financial year, representing an **improvement** of 4% when compared with the average timeous submission rate of 81% achieved during the 2023/24 financial year.

The graph further indicates that during the 2024/25 financial year, provincial treasuries achieved the lowest average timeous submission rate of 67% in December 2024.

**Table 7** below illustrates the performance of provincial treasuries on the submission of the consolidated reports on late and/or non-payment of invoices to the National Treasury on behalf of their respective provincial departments during the 2024/25 financial year.

**Table 7 – Provincial Treasuries' performance on the submission of consolidated reports**

<b>Table 7: Provincial Departments</b> <b>Performance on the submission of consolidated reports</b> <b>2024/25 Financial Year</b>					
	Provincial Treasury	Exception Reports Submitted		Exception Reports Submitted Timeously	
		Number	%	Number	%
1	Free State	12	100%	12	100%
2	Gauteng	12	100%	12	100%
3	KwaZulu-Natal	12	100%	12	100%
4	Mpumalanga	12	100%	12	100%
5	Eastern Cape	12	100%	11	92%
6	North-West	12	100%	11	92%
7	Northern Cape	12	100%	11	92%
8	Western Cape	12	100%	11	92%
9	Limpopo	12	100%	1	8%

Table 7 above illustrates that all provincial treasuries submitted consolidated reports on the late and/or non-payment of invoices to the National Treasury on behalf of their respective provincial departments during the 2024/25 financial year.

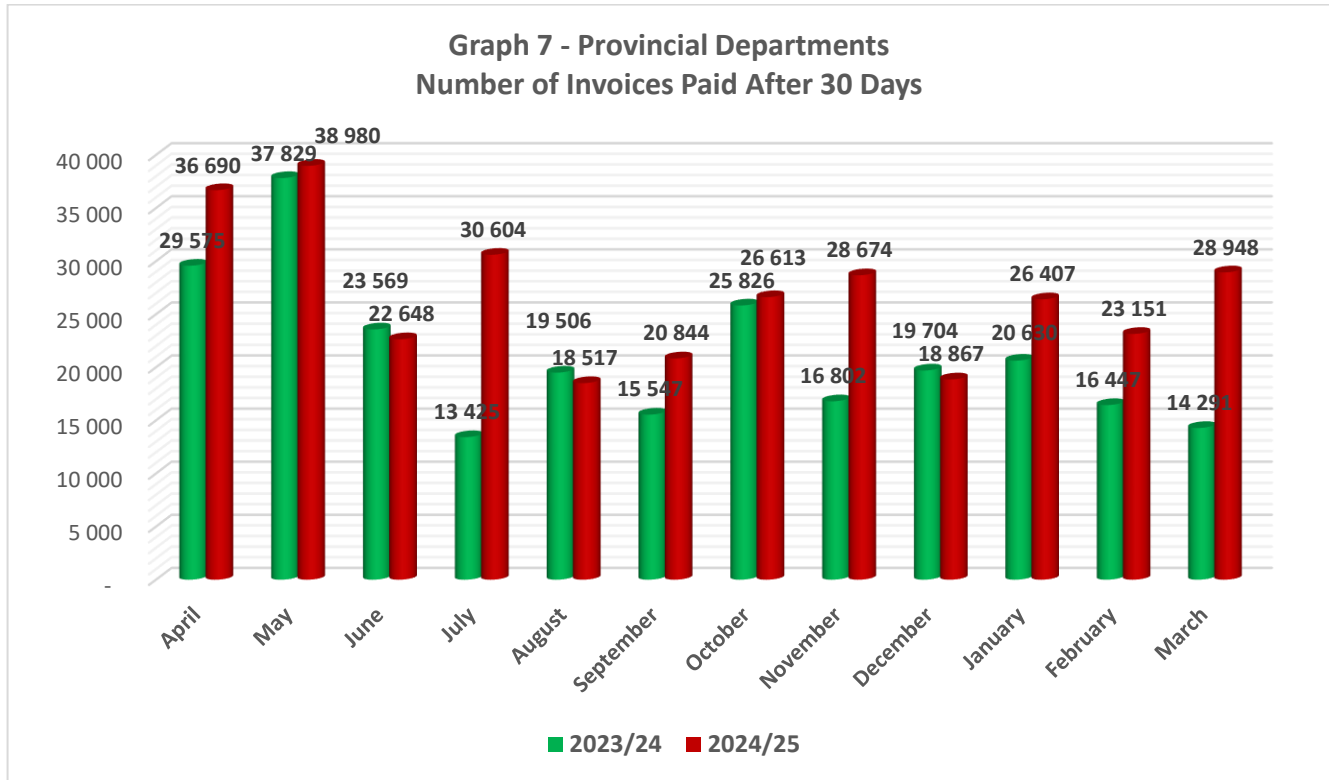
However, not all provincial treasuries managed to submit their consolidated reports on or before the 15<sup>th</sup> day of each month as required by the National Treasury Instruction 34 of 2011. Only four (4) or 44% of provincial treasuries, namely: Free State, Gauteng, Kwa-Zulu Natal, and Mpumalanga, submitted all their consolidated reports timeously as required by legislation during the 2024/25 financial year.

The table above further indicates that another four (4) or 44% of provincial treasuries, namely the Eastern Cape, North-West, Northern Cape, and Western Cape provincial treasuries, submitted eleven (11) consolidated reports timeously. Limpopo provincial treasury submitted only one (1) consolidated report timeously to the National Treasury during the 2024/25 financial year.

## 5.2 Number of invoices paid after 30 days

Graph 7 below provides a month-to-month comparative analysis of the **number of invoices paid after 30 days by** provincial departments during the 2024/25 and 2023/24 financial years.

**Graph 7: Provincial departments – Number of invoices paid after 30 days**



The total number of invoices paid after 30 days by provincial departments during the 2024/25 financial year amounted to 320,943 invoices, and this represents **a regression of 27% or 67,792 invoices** when compared to the 2023/24 financial year, which amounted to 253,151 invoices.

The annual average number of invoices paid after 30 days by provincial departments during the 2024/25 financial year was 26,745 invoices, an increase of 5,649 invoices from the annual average number of invoices paid after 30 days in the 2023/24 financial year, which was 21,096 invoices.

**Table 8** below provides a list of provincial treasuries that reported invoices paid after 30 days to the National Treasury in respect of their provincial departments during the 2024/25 financial year.

**Table 8 – Provincial treasuries that reported invoices paid after 30 days**

<b>Table 8: Provincial Departments</b> <b>Provincial treasuries that reported invoices paid after 30 Days</b> <b>2024/25 financial year</b>				
	<b>Province</b>	<b>Number of Invoices</b>	<b>Rand Value</b>	<b>% of Invoices</b>
1	Limpopo	343	R 117 244 225	-
2	Mpumalanga	1 245	R 576 107 096	-
3	Western Cape	1 784	R 190 160 003	1%
4	Northern Cape	6 593	R 1 018 469 625	2%
5	Free State	15 581	R 2 380 556 650	5%
6	Eastern Cape	61 119	R 6 066 027 220	19%
7	North-West	65 386	R 4 995 675 833	20%
8	Kwazulu-Natal	75 031	R 11 216 409 357	23%
9	Gauteng	93 861	R 10 620 781 479	29%
<b>Total</b>		<b>320 943</b>	<b>R 37 181 431 488</b>	<b>100%</b>

Table 8 above illustrates that provincial departments paid 320,943 invoices after 30 days during the 2024/25 financial year with a rand value of R37.2 billion.

Gauteng reported the highest number of invoices paid after 30 days during the 2024/25 financial year, which amounted to 93,861 invoices or 29% of the total number of invoices paid after 30 days by provincial departments to a rand value of R10.6 billion.

Kwa-Zulu Natal reported the second-highest number of invoices paid after 30 days during the 2024/25 financial year, which amounted to 75,031 invoices or 23% of the total invoices paid after 30 days by provincial departments to the rand value of R11.2 billion.

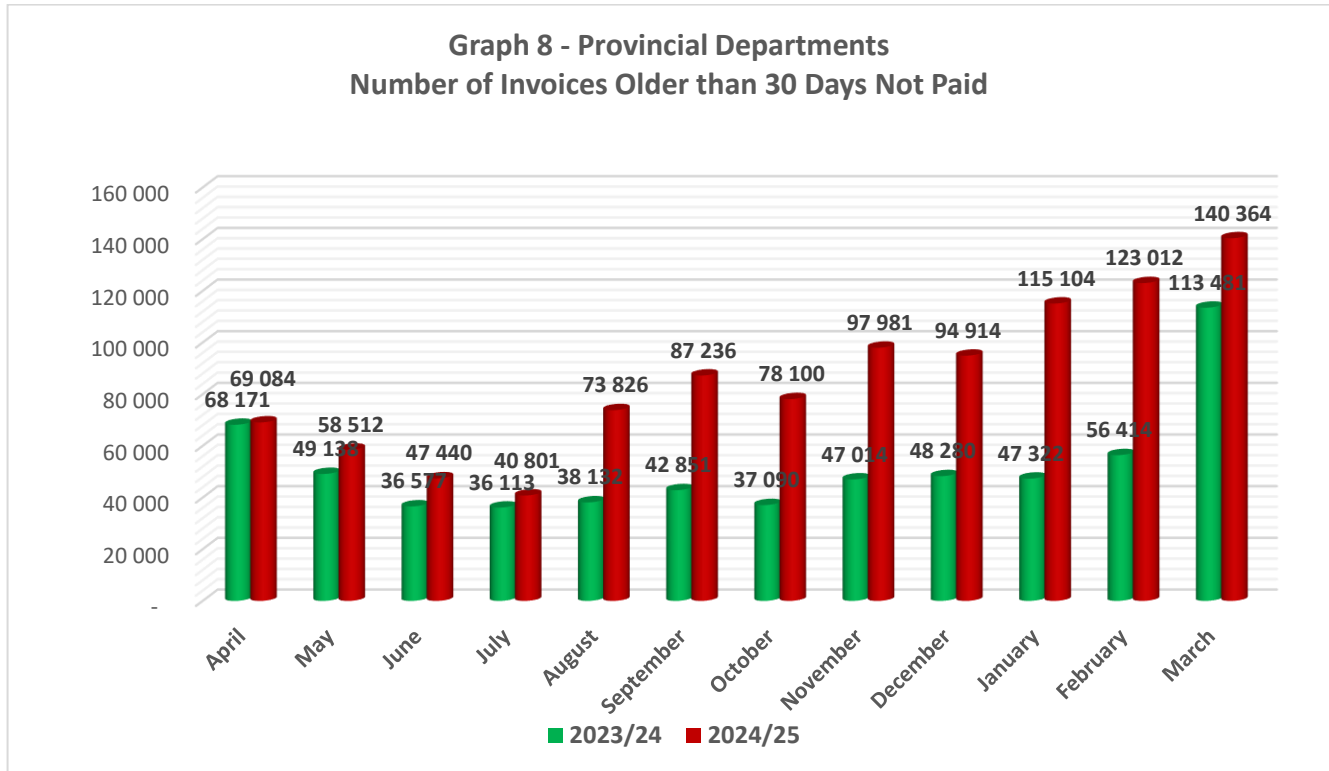
North-West reported 65,386 invoices or 20% of the total invoices paid after 30 days by provincial departments to the rand value of R5.0 billion during the 2024/25 financial year.

Limpopo reported the lowest number of invoices paid after 30 days, which amounted to 343 invoices with a rand value of R117 million. Mpumalanga reported 1,245 invoices paid after 30 days to the rand value of R576 million. Western Cape reported 1,784 invoices paid after 30 days to the rand value of R190 million during the 2024/25 financial year.

### 5.3 Number of invoices older than 30 days and not paid

Graph 8 below provides a month-to-month comparative analysis of the **number of invoices older than 30 days and not paid by** provincial departments at the end of the 2024/25 and 2023/24 financial years.

**Graph 8: Provincial departments – Number of invoices older than 30 days and not paid**



The total number of invoices older than 30 days and not paid by provincial departments at the end of the 2024/25 financial year amounted to 140,364 invoices, representing **a regression of 24% or 26,883 invoices** when compared with the number of invoices older than 30 days and not paid by the provincial departments at the end of the 2023/24 financial year, which amounted to 113,481 invoices.

The graph above illustrates a spike in the number of invoices older than 30 days and not paid from August 2024 to March 2025. Furthermore, Provincial departments reported the lowest number of invoices older than 30 days and not paid in June 2024.

**Table 9** below provides a list of provincial treasuries that reported unpaid invoices to the National Treasury in respect of their provincial departments at the end of the financial year.

**Table 9 – Provincial treasuries that reported invoices older than 30 days and not paid**

<b>Table 9: Provincial Departments</b> <b>Provincial treasuries that reported invoices older than 30 Days and not paid</b> <b>2024/25 financial year</b>				
	<b>Province</b>	<b>Number of Invoices</b>	<b>Rand Value</b>	<b>%</b>
1	Mpumalanga	1	R 9 867 330	-
2	Limpopo	3	R 6 569	-
3	Western Cape	4	R 7 692	-
4	Free State	4 915	R 1 170 137 861	4%
5	Northern Cape	5 326	R 899 824 957	4%
6	North-West	14 422	R 1 187 174 461	10%
7	KwaZulu-Natal	25 052	R 4 686 756 978	18%
8	Gauteng	27 604	R 4 695 928 762	20%
9	Eastern Cape	63 037	R 5 147 142 053	45%
<b>Total</b>		<b>140 364</b>	<b>R 17 796 846 663</b>	<b>100%</b>

Table 9 above illustrates that provincial departments reported 140,364 invoices older than 30 days and not paid at the end of the 2024/25 financial year, with a rand value of R17.8 billion.

Eastern Cape reported the highest number and rand value of invoices older than 30 days and not paid at the end of the 2024/25 financial year, which amounted to 63,037 invoices or 45% of the total number of invoices older than 30 days and not paid by provincial departments to a rand value of R5.1 billion.

Gauteng reported the second highest number and rand value of invoices older than 30 days and not paid at the end of the 2024/25 financial year, which amounted to 27,604 invoices or 20% of the total invoices older than 30 days and not paid by provincial departments to a rand value of R4.7 billion.

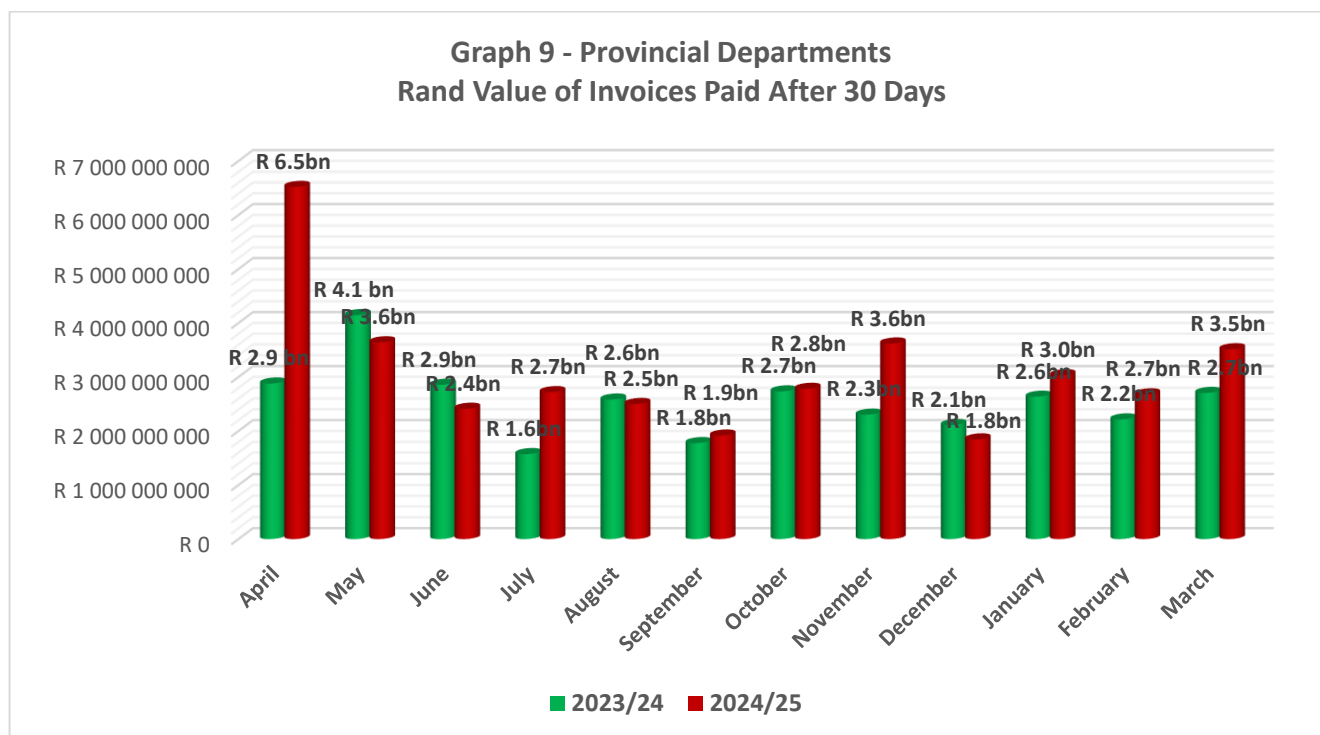
KwaZulu-Natal reported 25,052 invoices, or 18% of the total number of invoices older than 30 days and not paid, with a rand value of R4.7 billion at the end of the 2024/25 financial year.

Mpumalanga reported the lowest number of invoices older than 30 days and not paid, which amounted to one (1) invoice with a rand value of R10 million. Limpopo reported three (3) invoices older than 30 days and not paid, with a rand value of R6,569. Western Cape reported four (4) invoices older than 30 days and not paid, with a rand value of R7,692 at the end of the same period.

#### 5.4 Rand value of invoices paid after 30 days

**Graph 9** below provides a month-to-month comparative analysis of the rand value of invoices paid after 30 days by provincial departments during the 2024/25 and 2023/24 financial years.

**Graph 9: Provincial departments – Rand value of invoices paid after 30 days**



The rand value of invoices paid after 30 days by provincial departments during the 2024/25 financial year amounted to R37.2 billion, representing **a regression of 22% or R6.7 billion** when compared with the rand value of invoices paid after 30 days by the provincial departments during the 2023/24 financial year, which amounted to R30.5 billion.

The annual average rand value of invoices paid after 30 days by provincial departments during the 2024/25 financial year amounted to R3.1 billion, indicating **a regression of 22%, or R556 million** when compared with the annual average rand value of invoices paid after 30 days by provincial departments during the 2023/24 financial year, which amounted to R2.5 billion.

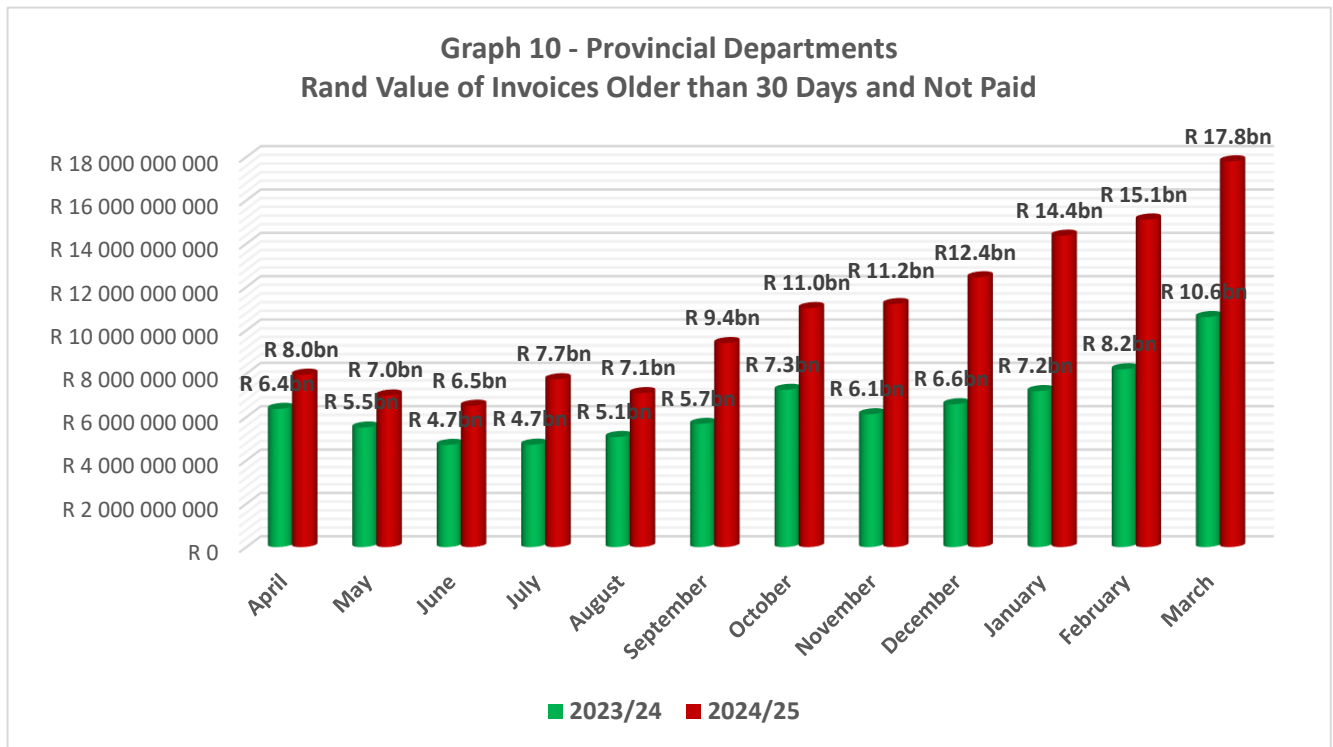
Kwa-Zulu Natal reported the highest rand value of invoices paid after 30 days during the 2024/25 financial year, which amounted to R11.2 billion. Gauteng reported the second-highest rand value of invoices paid after 30 days, which amounted to R10.6 billion. Eastern Cape reported the third-highest rand value of invoices paid after 30 days, which amounted to R6.1 billion.

Limpopo reported the lowest rand value of invoices paid after 30 days, which amounted to R117 million during the period under review. Western Cape reported the second-lowest rand value of invoices paid after 30 days, which amounted to R190 million during the same period.

## 5.5 Rand value of invoices older than 30 days and not paid

**Graph 10** below provides a month-to-month comparative analysis of the rand value of invoices older than 30 days and not paid at the end of the 2024/25 and 2023/24 financial years.

**Graph 10: Provincial departments – Rand value of invoices older than 30 days and not paid**



The rand value of invoices older than 30 days and not paid by provincial departments at the end of the 2024/25 financial year amounted to R17.8 billion, representing a **regression of 68%, or R7.2 billion** when compared with the rand value of invoices older than 30 days and not paid by the provincial departments at the end of the 2023/24 financial year, which amounted to R10.6 billion.

## **6. Common reasons for the late and/or non-payment of invoices**

The following are the common reasons provided by national and provincial departments for the late or non-payment of invoices during the 2024/25 financial year:

- a) Inadequate budgets and cash blocking;
- b) Financial System challenges (BAS and LOGIS);
- c) Central Supplier Database (CSD) challenges;
- d) High Accruals from previous financial years;
- e) Disputed invoices with suppliers;
- f) Unresolved SCM-related challenges;
- g) Internal control deficiencies;
- h) Inadequate internal capacity;
- i) Late processing and authorisation of invoices; and
- j) Misfiled, misplaced or unrecorded invoices.

Most of these common reasons have been reported annually by national and provincial departments since the inception of National Treasury Instruction Note 34. In previous reports, the National Treasury provided recommendations to assist departments in addressing the identified root causes for the late and/or non-payment of invoices and to ensure improvement in compliance with the requirement to pay suppliers' invoices within the prescribed period of 30 days.

The common reasons provided by national and provincial departments mostly align with National Treasury's assessment of the common root causes, which include:

- a) Excessive administrative procedures, multiple approval layers, and slow compliance processes that can delay payments.
- b) Poor forecasting or cash management that can lead to shortages of funds available for timely payments.
- c) Missing or incorrect documentation from suppliers (such as invoices or delivery receipts) delays processing.
- d) Unethical practices which can result in deliberate delays or misappropriation of funds.
- e) Manual systems are commonly used to track invoices received from suppliers.

## 7. Queries on non-payment of invoices

The National Treasury continued to assist suppliers with queries on non-payment of invoices through a dedicated central email address ([30daysqueries@treasury.gov.za](mailto:30daysqueries@treasury.gov.za)) by following up with transgressing institutions and providing feedback to suppliers with reasons for the late or non-payment of invoices, and a possible date for the payment or any other resolution.

**Table 10** below illustrates the number and rand value of queries received from suppliers on non-payment of supplier's invoices during the 2024/25 financial year.

**Table 10 – Number and rand value of queries received on non-payment of invoices**

<b>Table 10: Government institutions Number and value of queries received on non-payment of invoices 2024/25 financial year</b>			
<b>Institutions</b>	<b>Number of queries</b>	<b>Rand value</b>	<b>%</b>
National institutions	107	R 34 298 084	34%
Provincial institutions	156	R 170 747 337	50%
Municipalities	51	R 109 116 890	16%
<b>Total</b>	<b>314</b>	<b>R 314 162 312</b>	<b>100%</b>
<b>Resolved queries</b>			
National institutions	76	R 21 406 507	Resolved by Office of the Accountant-General

The total number of queries on non-payment of invoices received from suppliers during the 2024/25 financial year amounted to 314 queries with a rand value of R314 million. The majority of these queries (50%) related to provincial institutions and were referred to provincial treasuries for intervention. National institutions were responsible for 34% of the queries received. The total number of queries received from suppliers for non-payment of invoices related to national departments and national public entities amounted to 107 queries to a rand value of R34 million, and these queries were escalated to the relevant institution in the office of the Chief Financial Officer (CFO) for further investigations and resolutions.

Through the intervention of the Office of Accountant-General, seventy (76) queries to the rand value of R21 million were resolved, and payments were made to suppliers during the 2024/25 financial year.

The total number of queries received from suppliers for non-payment of invoices by provincial institutions amounted to 156 queries with a rand value of R171 million. These queries were escalated to the relevant provincial treasuries in the office of the Provincial Accountants-General for intervention and resolution.

The total number of queries received from suppliers for non-payment of invoices related to municipalities amounted to 51 queries with a rand value of R109 million. These queries were referred

to the Municipal Finance Management Act (MFMA) Chief Directorate for escalation to relevant municipalities for resolutions.

## 8. Further interventions

As part of strategic intervention contained in the MTDP, 2024-2029, namely, *“mainstream red tape reduction across every department and public entity to reduce the excessive regulatory burden on business”*. The National Treasury has commenced with the development of an automated system that will enable the government to track invoices received from suppliers to ensure that payment of invoices is made within 30 days and in support of the sustainability of small and medium enterprises.

National Treasury is also working closely with the Department of Small Business Development and the Presidency to finalise and publish a revised Treasury Instruction on the payment of invoices within 30 days. All these initiatives are planned to be rolled out in the 2025/26 financial year and for implementation in the 2026/27 financial year.

## **9. Conclusion**

The analysis of the exception reports illustrates a bleak picture with a regression on all fronts when compared to the 2023/24 financial year.

### **National departments**

- There was a 32% regression by national departments in the timeous payment of invoices within 30 days. Furthermore, there was an increase in the number of unpaid invoices at the end of the financial year, with a regression rate of 71%.
- The annual average number of invoices paid after 30 days by national departments was 11,937 invoices, an increase of 2,861 invoices from the annual average number of invoices paid after 30 days in the 2023/24 financial year.
- Department of Defence, Public Works and Infrastructure (Trading Account) and Department of Correctional Services continue to be in the top 3 of national departments not paying suppliers timeously without any notable improvement.

### **Provincial departments**

- Provincial departments are responsible for 69% of invoices paid after 30 days and are also responsible for 98% of invoices older than 30 days and not paid at the end of March 2025.
- There was a 27% regression by provincial departments in the timeous payment of invoices within 30 days. Furthermore, there was an increase in the number of unpaid invoices at the end of the financial year, with a regression rate of 24%.
- The annual average number of invoices paid after 30 days by provincial departments was 26,745 invoices, an increase of 5,649 invoices from the annual average number of invoices paid after 30 days in the 2023/24 financial year
- The provinces of Gauteng, KwaZulu-Natal and Eastern Cape continue to be in the top 3 of provincial departments not paying suppliers timeously

The following should be noted by relevant stakeholders based on the analysis of the 30-day exception reports received from national departments and provincial treasuries on behalf of their respective provincial departments during the 2024/25 financial year:

- The important role of executive authorities in holding accounting officers accountable for the continued improvement in the culture and payment internal control environment of their respective departments;
- Provinces continue to be the highest contributors to the statistics of late payments and unpaid invoices. Interventions must be prioritised at the provincial level;

- The continued impact of the late or non-payment of invoices on the sustainability of the small and medium enterprises in contributing to unemployment, job creation and inequality issues;
- The efforts by the National Treasury, Public Service Commission, Department of Small Business Development, Department of Planning, Monitoring and Evaluation and the Presidency can only be impactful if there is a willingness of leadership at the departmental level to make a difference;
- Repeated common reasons provided by national and provincial departments for late and non-payment of invoices. Accounting Officers and Chief Financial Officers must 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; and
- Wilful or negligent failure by accounting officers who consistently breach the PFMA and Treasury Regulations by paying suppliers late constitutes financial misconduct in terms of section 83 of the PFMA. This must be investigated, and disciplinary action must be taken against officials who fail to comply with the requirements to pay invoices within 30 days and who undermine the systems of internal control.

**NON-COMPLIANCE WITH PAYMENTS  
OF SUPPLIERS INVOICES WITHIN 30 DAYS**

**ANNUAL REPORT**

**FOR 2025/25**

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