



NATIONAL TREASURY

## 2nd Quarter Report

Stakeholders: All departments  
Invoices from: Suppliers  
Status: Compliance

### 2025/26 Non-Compliance With Payments Of Supplier's Invoices Within 30 Days

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Regulations and  
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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

A **NATION** THAT **WORKS** FOR ALL



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## 1. Purpose

- 1.1 The purpose of this quarterly report is to provide relevant stakeholders with an overview of the extent to which national and provincial departments comply with the legislative requirement to settle suppliers' invoices within 30 days, as prescribed in section 38(1)(f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999 – 'PFMA'), and Treasury Regulations 8.2.3.
- 1.2 This report also outlines the common reasons cited by the 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 suppliers' invoices within 30 days.

## 2. Legislative Framework

- 2.1 In terms of section 38(1)(f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999 – 'PFMA'), 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.
- 2.2 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*".
- 2.3 The National Treasury Instruction No. 34 issued in November 2011 remains in force and requires Accounting Officers of departments to submit exception reports to the relevant Treasuries by the 7th day of each month and Provincial Treasuries to submit these reports to the National Treasury by the 15th 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.

### 3. Executive Summary

- 3.1 The late and non-payment of suppliers' 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.
- 3.2 Ninety-seven percent (97%) of national departments submitted their exception reports, however, only 94% of national departments timeously submitted these reports as required by the National Treasury Instruction 34 of 2011.
- 3.3 All provincial treasuries submitted their exception reports, achieving a 100% submission rate, however, only 96% of provincial treasuries timeously submitted these reports as required by the National Treasury Instruction 34 of 2011.
- 3.4 Table 1 below provides the number and rand value of invoices that were not paid within 30 days by national and provincial departments during the second quarter of the 2025/26 financial year, compared with the first quarter of the 2025/26 financial year.

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

Summary of national and provincial departments				
Number and rand value of invoices not paid within 30 days				
Departments	Paid after 30 days		Older than 30 days and not paid at the end of the quarter	
	Number of invoices	Rand value of invoices	Number of invoices	Rand value of invoices
Quarter 1 – FY2025/26				
National Departments	36 384	R 2 538 529 362	1 437	R 270 474 028
Provincial Departments	136 003	R 12 177 609 471	80 299	R 11 439 406 919
<b>Total</b>	<b>172 387</b>	<b>R 14 716 138 833</b>	<b>81 736</b>	<b>R 11 709 880 947</b>
Quarter 2 – FY2025/26				
National Departments	28 505	R 1 957 928 510	3 176	R 279 080 958
Provincial Departments	83 937	R 8 059 146 461	92 223	R 12 094 193 441
<b>Total</b>	<b>112 442</b>	<b>R 10 017 074 971</b>	<b>95 399</b>	<b>R 12 373 274 399</b>

- 3.5 Table 1 illustrates that the number of invoices paid after 30 days by national and provincial departments during the second quarter of the 2025/26 financial year amounted to 112,442 invoices with a rand value of R10.0 billion. This represents an **improvement of 35%, or 59,945** invoices, compared to the first quarter of the 2025/26 financial year, which amounted to 172,387 invoices.

- 3.6 The number of invoices older than 30 days and not paid by national and provincial departments at the end of the second quarter of the 2025/26 financial year amounted to 95,399 invoices with a rand value of R12.4 billion. This represents **a regression of 17%, or 13,663 invoices**, compared to the end of the first quarter of the 2025/26 financial year, which amounted to 81,736 invoices.
- 3.7 The rand value of invoices paid after 30 days by national and provincial departments during the second quarter of the 2025/26 financial year amounted to R10.0 billion. This represents **an improvement of 32%, or R4.7 billion**, compared to the first quarter of the 2025/26 financial year, which amounted to R14.7 billion.
- 3.8 The rand value of invoices older than 30 days and not paid by national and provincial departments at the end of the second quarter of the 2025/26 financial year amounted to R12.4 billion. This represents **a regression of 6%, or R663 million**, compared to the end of the first quarter of the 2025/26 financial year, which amounted to R11.7 billion.
- 3.9 The analysis further indicates that national departments are responsible for 25% of invoices paid after 30 days during the second quarter of the 2025/26 financial year and are also responsible for 3% of invoices older than 30 days and not paid at the end of September 2025.
- 3.10 Provincial departments account for 75% of invoices paid after 30 days, and 97% of invoices older than 30 days and not paid at the end of September 2025.
- 3.11 The common reasons provided by national and provincial departments for the late or non-payment of invoices during the second quarter of the 2025/26 financial year included inadequate budgets and cash blocking; financial system challenges (BAS and LOGIS); Central Supplier Database (CSD) challenges; disputed invoices with suppliers; unresolved SCM-related challenges; internal control deficiencies; inadequate internal capacity; late processing and authorisation of invoices; and misfiled, misplaced or unrecorded invoices.

## Analysis of Exception Reports

### 4. National Departments

#### 4.1 Submission of the 30-day Exception Reports

The analysis is based on the information submitted by national departments during the second quarter of the 2025/26 financial year. National departments are required to submit exception reports to the National Treasury by the 7th day of each month with information in respect of the preceding month.

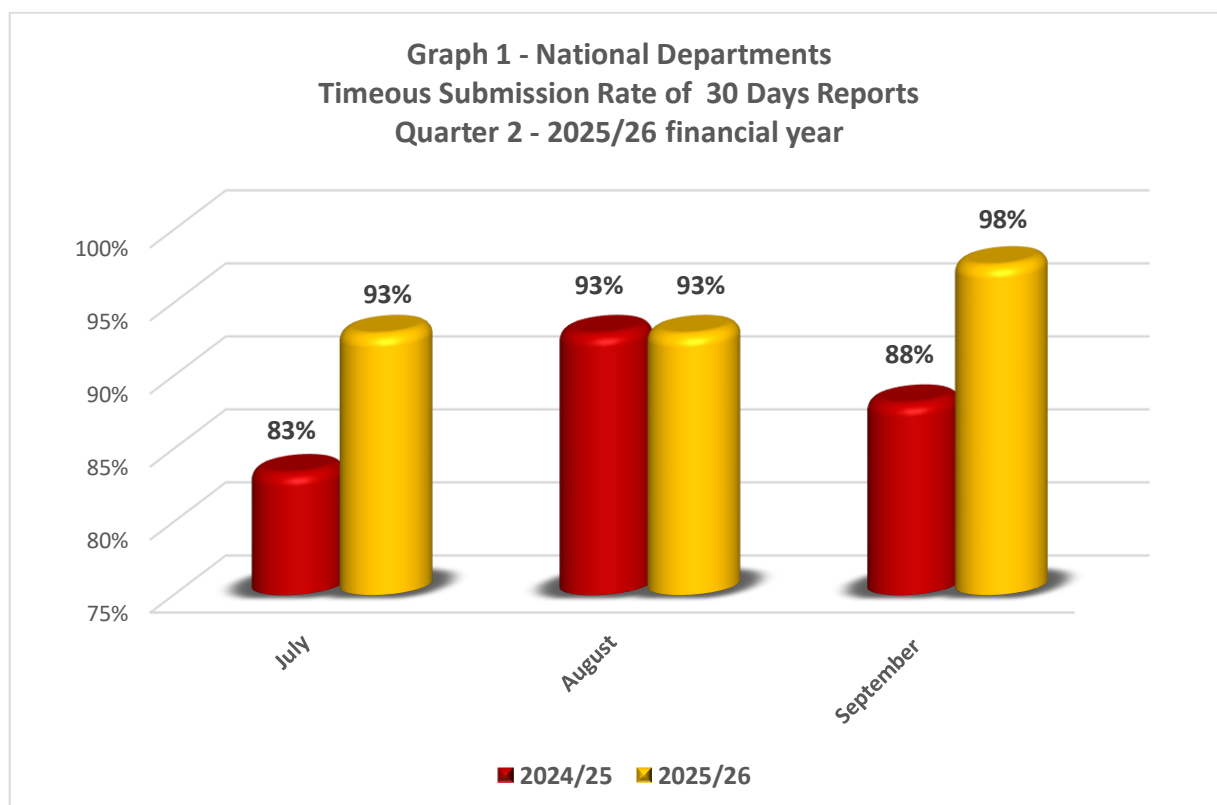
Ninety-seven percent (97%) of national departments submitted their exception reports to the National Treasury during the second quarter of the 2025/26 financial year, with only 94% of national departments timeously submitting these reports by the legislated date.

The Department of Employment and Labour didn't submit its report for September 2025, and the Department of Agriculture failed to submit reports for the second quarter of the 2025/26 financial year, citing administrative issues as the common reason for this non-compliance.

#### 4.2 Timeous Submission Rate of Exception Reports

**Graph 1** below provides a month-to-month comparative analysis of the **timeous submission rate of Exception Reports** by national departments in the second quarter of the 2025/26 financial year compared to the same period in the 2024/25 financial year.

**Graph 1: National departments – Timeous submission rate of 30 days Exception Reports**



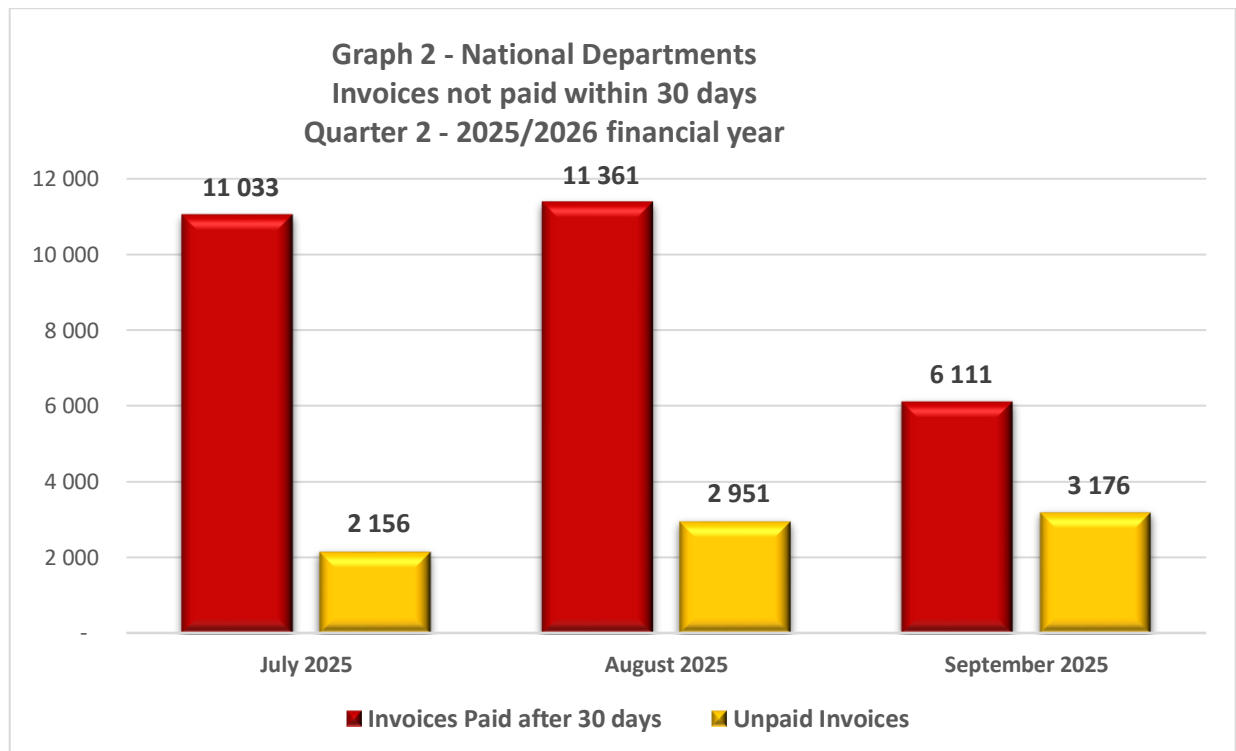


Graph 1 illustrates that not all national departments submitted monthly exception reports timeously, resulting in these national departments achieving an average timeous submission rate of 94% during the second quarter of the 2025/26 financial year, representing an **improvement** of 6% when compared to the average timeous submission rate of 88% achieved during the second quarter of the 2024/25 financial year.

#### 4.3 Invoices not paid within 30 days

**Graph 2** below illustrates the **number of invoices not paid within 30 days** by national departments during the second quarter of the 2025/26 financial year.

**Graph 2: National departments – Number of invoices not paid within 30 Days**



Graph 2 above illustrates a monthly comparison of the number of invoices paid after 30 days and the number of invoices older than 30 days and not paid by national departments during the second quarter of the 2025/26 financial year.

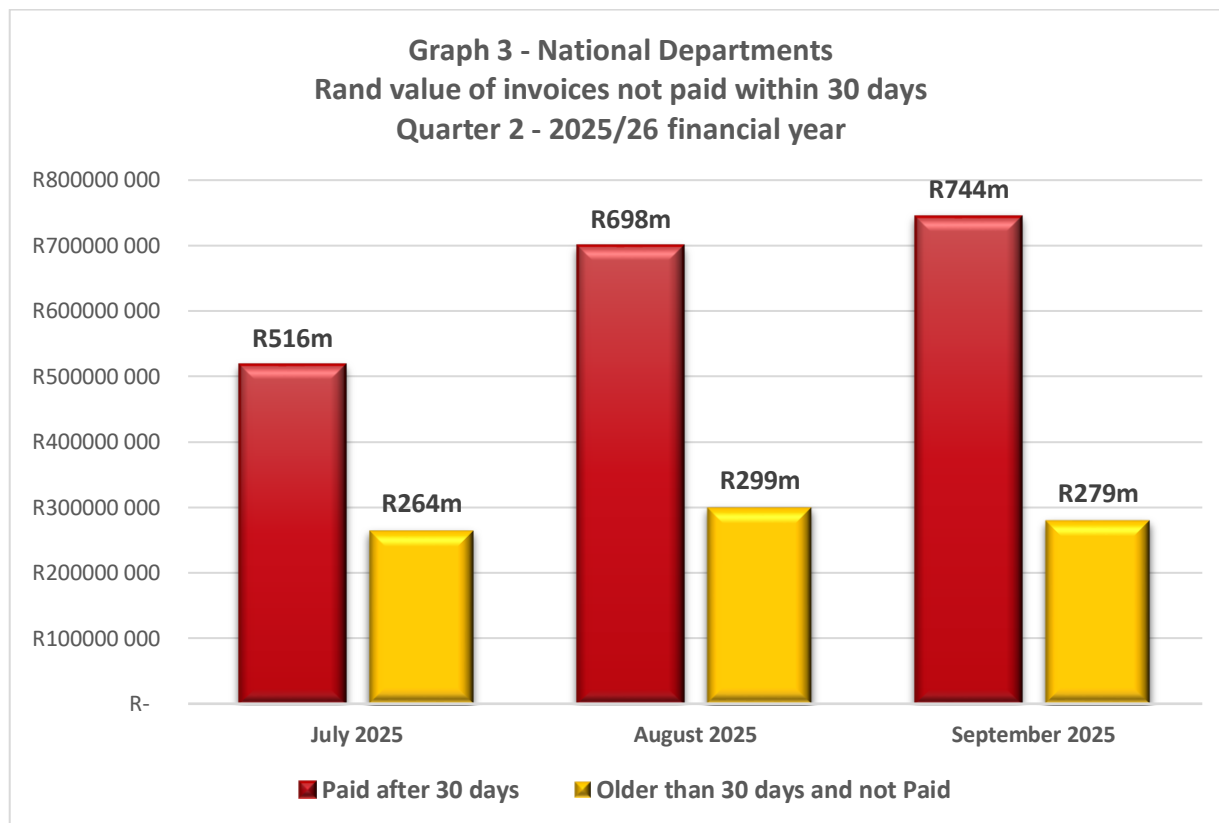
The total number of invoices paid after 30 days during the second quarter of the 2025/26 financial year amounted to 28,505 invoices. This represents **an improvement of 22%, or 7,879 invoices**, compared to the number of invoices paid after 30 days during the first quarter of the 2025/26 financial year, which amounted to 36,384 invoices.

The total number of invoices older than 30 days and not paid by national departments at the end of September 2025 amounted to 3,176 invoices. This represents **a regression of 121%, or 1,739 invoices** compared to the number of invoices older than 30 days and not paid at the end of June 2025, which amounted to 1,437 invoices.

#### 4.4 Rand Value of Invoices not paid within 30 days

**Graph 3** below illustrates the **rand value of invoices not paid within 30 days** by national departments during the second quarter of the 2025/26 financial year.

**Graph 3: National departments – Rand value of invoices not paid within 30 Days**



Graph 3 above illustrates a monthly comparison of the rand value of invoices paid after 30 days and the rand value of invoices older than 30 days and not paid by national departments during the second quarter of the 2025/26 financial year.

The rand value of invoices paid after 30 days by national departments in the second quarter of the 2025/26 financial year amounted to R 1.958 billion. This represents **an improvement of 23%, or R581 million**, compared to the rand value of invoices paid after 30 days in the first quarter of the 2025/26 financial year, which amounted to R2.539 billion.

The rand value of invoices older than 30 days and not paid by national departments at the end of September 2025 amounted to R 279 million. This represents **a 3% regression, or R8 million, compared to the rand value of invoices older than 30 days and not paid by** the end of June 2025, which amounted to R270 million.



#### 4.5 National departments that reported invoices paid after 30 days

**Table 2** below indicates national departments that reported invoices paid after 30 days during the second quarter of the 2025/26 financial year.

**Table 2: National departments that reported invoices paid after 30 days**

<b>National departments Departments that reported invoices paid after 30 days Quarter 2 – 2025/26 financial year</b>			
<b>Department</b>	<b>Number of Invoices</b>	<b>Rand Value of Invoices</b>	<b>% of number of invoices</b>
Health	1	R 496	0%
Civilian Secretariat for the Police Service	1	R 5 100	0%
The Presidency	1	R 7 490 137	0%
Trade, Industry and Competition	2	R 28 947	0%
Women, Youth and Persons with Disabilities	3	R 57 374	0%
Employment and Labour	4	R 99 050 059	0%
Social Development	6	R 903 213	0%
Military Veterans	8	R 3 095 409	0%
Transport	10	R 210 736	0%
Water and Sanitation (Main Account)	14	R 8 164 937	0%
Forestry, Fisheries and Environment	21	R 4 771 806	0%
National School of Government	56	R 1 269 137	0%
Public Works and Infrastructure (Main Account)	77	R 1 466 160	0%
Office of the Chief Justice	117	R 1 779 492	0%
Government Communication and Information Systems	126	R 1 788 222	0%
Land Reform and Rural Development	154	R 39 270 996	1%
Home Affairs	162	R 19 429 632	1%
Land Reform and Rural Development	211	R 108 756 327	1%
Police	217	R 50 492 343	1%
Justice and Constitutional Development	330	R 6 574 610	1%
Correctional Services	477	R 301 847 165	2%
Public Works and Infrastructure (Trading Account)	2 034	R 217 053 909	7%
Water and Sanitation (Trading Account)	3 843	R 161 003 536	14%
Defence	20 784	R 962 689 764	73%
<b>Total</b>	<b>28 505</b>	<b>R 1 957 928 511</b>	<b>100%</b>

Table 2 above illustrates national departments that reported the number and rand value of invoices paid after 30 days during the second quarter of the 2025/26 financial year. The total number of invoices paid after 30 days by national departments in the second quarter amounted to 28,505 invoices with a rand value of R 1.958 billion.

The Department of Defence reported the highest number and rand value of invoices paid after 30 days during the second quarter of the 2025/26 financial year, which amounted to 20,784 invoices, or 73% of the total number of invoices paid after 30 days by national departments, with a rand value of R963 million.

The Department of Water and Sanitation (Trading Account) reported the second-highest number of invoices paid after 30 days during the same period, which amounted to 3,843 invoices, or 14% of the total number of invoices paid after 30 days by national departments, to the rand value of R161 million.

#### 4.6 National departments that reported unpaid invoices

**Table 3** below indicates national departments that reported unpaid invoices at the end of the second quarter of the 2025/26 financial year.

**Table 3: National departments that reported unpaid invoices**

National departments Departments that reported unpaid invoices Quarter 2 - 2025/256 financial year			
Department	Number of Invoices	Rand Value of Invoices	% of number of invoices
Home Affairs	36	R 276 246	1%
Forestry, Fisheries and Environment	36	R 19 233 127	1%
Public Works and Infrastructure (Main Account)	47	R 5 485 162	2%
Land Reform and Rural Development	122	R 255 156	4%
Public Works and Infrastructure (PMTE)	425	R 224 827 300	13%
Water and Sanitation (Trading Account)	961	R 4 205 205	30%
Justice and Constitutional Development	1 549	R - 24 798 761	49%
<b>Total</b>	<b>3 176</b>	<b>R 279 080 958</b>	<b>100%</b>

Table 3 above illustrates national departments that reported the number and rand value of invoices older than 30 days and not paid at the end of September 2025. The total number of invoices older than 30 days and not paid at the end of September 2025 by national departments amounted to 3,176 invoices with a rand value of R279 million.

The Department of Justice and Constitutional Development reported the highest number of invoices older than 30 days and not paid, which amounted to 1,549 invoices or 49% of the total number of unpaid invoices by national departments, to the rand value of R25 million.

The Department of Public Works and Infrastructure (PMTE) reported the highest rand value of invoices not paid after 30 days, which amounted to R225 million, with 425 invoices or 13% of the total number of invoices not paid after 30 days.

#### 4.7 National departments that paid all invoices

**Table 4** below indicates national departments that paid all invoices within 30 days during the second quarter of the 2025/26 financial year:

**Table 4: National departments that paid invoices within 30 days**

<b>National Departments</b> <b>Departments that paid all legitimate invoices within 30 days</b> <b>Quarter 2 - 2025/26 financial year</b>	
<b>No.</b>	<b>Department</b>
1	Basic Education
2	Communications and Digital Technologies
3	Cooperative Governance
4	Electricity and Energy
5	Higher Education and Training
6	Human Settlements
7	Independent Police Investigative Directorate
8	International Relations and Cooperation
9	Mineral Resources and Energy
10	National Treasury
11	Planning, Monitoring and Evaluation
12	Public Service and Administration
13	Public Service Commission
14	Science, Technology and Innovation
15	Small Business Development
16	Sports, Arts and Culture
17	Statistics South Africa
18	Tourism
19	Traditional Affairs

Table 4 above illustrates the national departments that paid all invoices within 30 days during the second quarter of the 2025/26 financial year. **These departments had no outstanding invoices at the end of the second quarter of the 2025/26 financial year, which shows excellent results and commitment to ensuring that invoices are paid within 30 days.**

These national departments are encouraged to maintain this performance and continue to pay all invoices from suppliers timeously or within 30 days as required by the PFMA and its related prescripts.

## Analysis of 30-day Exceptions Reports

### 5. Provincial Treasuries

#### 5.1 Submission of the 30-day Exception Reports

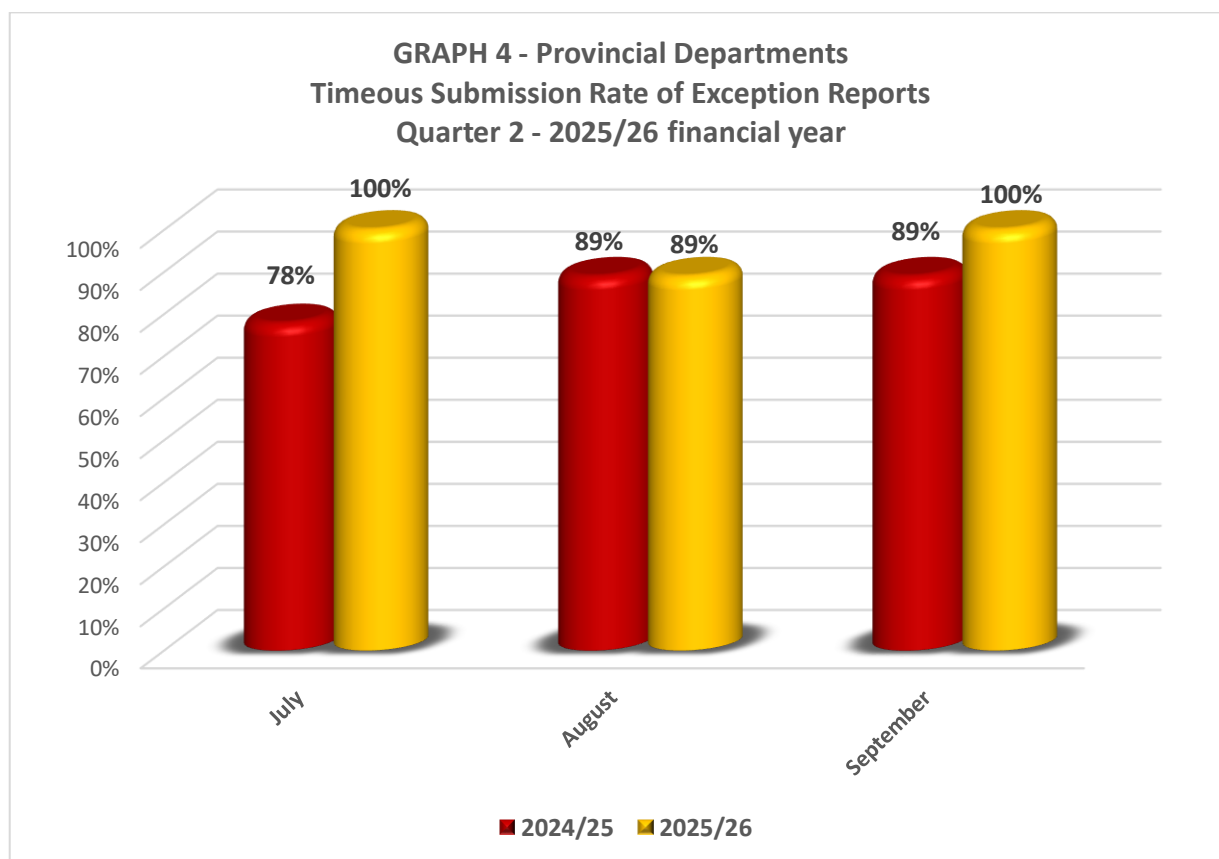
The analysis is based on the information submitted by provincial treasuries on behalf of their respective provincial departments during the second quarter of the 2025/26 financial year. Provincial treasuries are required to submit exception reports to the National Treasury by the 15<sup>th</sup> day of each month with information in respect of the preceding month.

All provincial treasuries submitted their Exception Reports on behalf of their respective provincial departments to the National Treasury during the second quarter of the 2025/26 financial year, with 96% of provincial treasuries submitting these reports by the legislated date as required by the National Treasury Instruction 34 of 2011.

#### 5.2 Timeous Submission Rate of Exception Reports

**Graph 4** below provides a month-to-month comparative analysis of the **timeous submission rate of Exception Reports** by provincial treasuries in the second quarter of the 2025/26 financial year compared to the same period in the 2024/25 financial year.

**Graph 4: Provincial Treasuries – Timeous submission rate of Exception Reports**

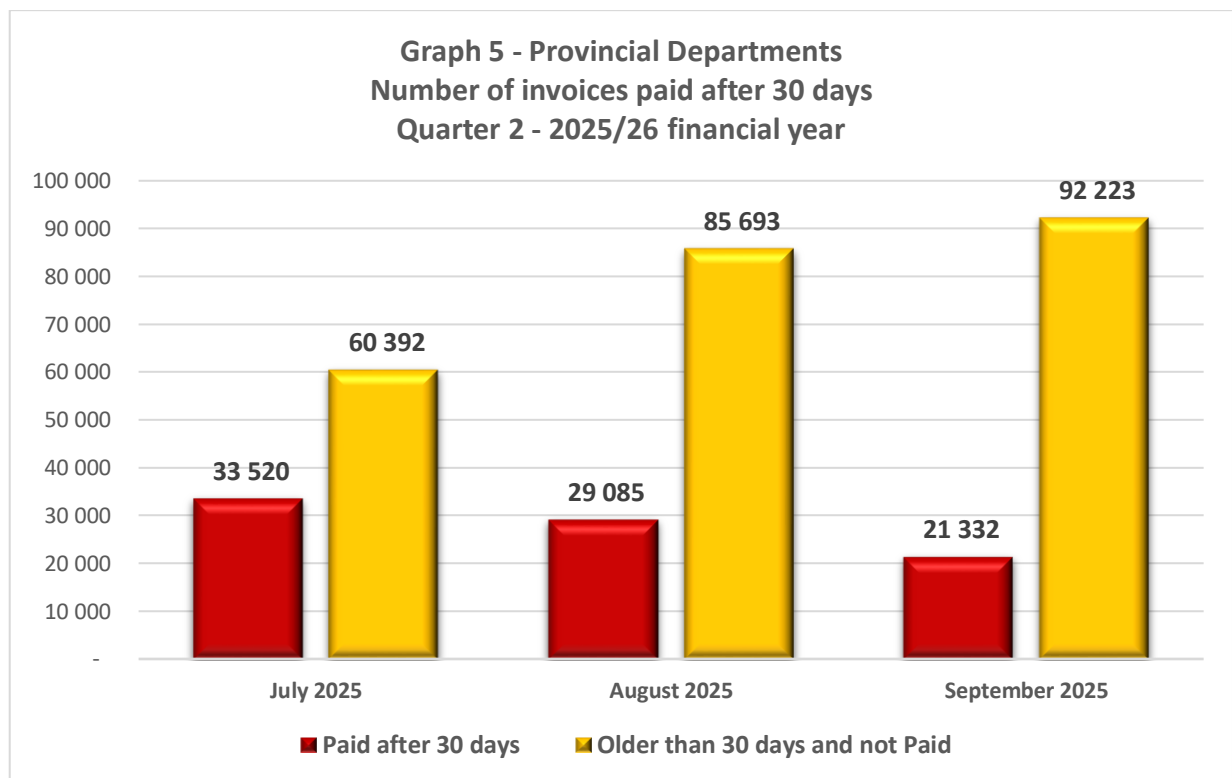


Graph 4 illustrates that not all provincial treasuries submitted monthly exception reports timeously to the National Treasury, resulting in the provincial treasuries achieving an average timeous submission rate of 96% during the second quarter of the 2025/26 financial year. This represents an **improvement of 7%** when compared with the average timeous submission rate of 89% achieved during the first quarter of the 2025/26 financial year.

### 5.3 Invoices not paid within 30 days

**Graph 5** below illustrates the **number of invoices not paid within 30 days** by provincial departments during the second quarter of the 2025/26 financial year.

**Graph 5: Provincial departments – Number of invoices not paid within 30 Days**



Graph 5 above illustrates a monthly comparison of the number of invoices paid after 30 days and the number of invoices older than 30 days and not paid by provincial departments during the second quarter of the 2025/26 financial year.

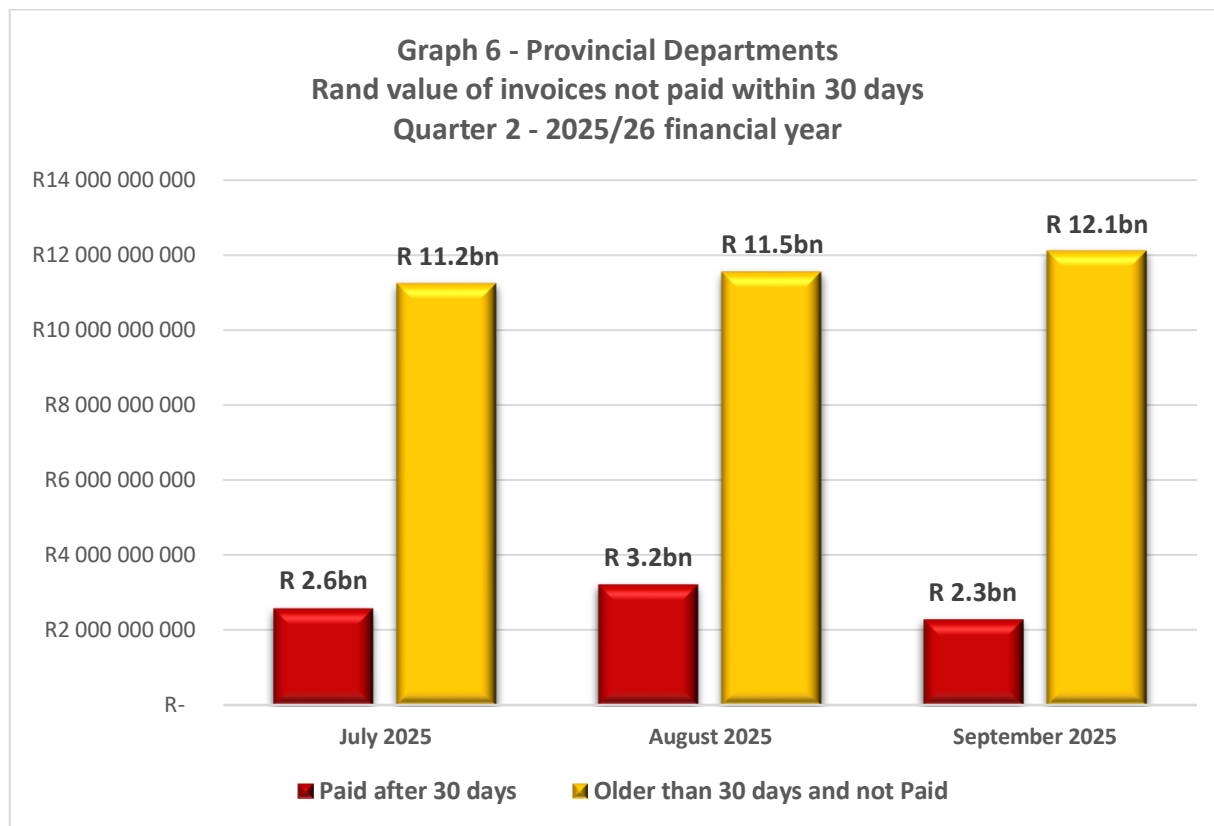
The number of invoices paid after 30 days during the second quarter of the 2025/26 financial year amounted to 83,937 invoices. This represents **an improvement of 38%, or 52,066 invoices**, compared to the number of invoices paid after 30 days during the first quarter of the 2025/26 financial year, which amounted to 136,003 invoices.

The number of invoices older than 30 days and not paid by provincial departments at the end of September 2025 amounted to 92,223 invoices. This indicates **a regression of 15%, or 11,924 invoices**, compared to the number of invoices older than 30 days and not paid by provincial departments at the end of June 2025, which amounted to 80,299 invoices.

#### 5.4 Rand Value of invoices not paid within 30 days

**Graph 6** below illustrates the **rand values of invoices not paid within 30 days** by provincial departments during the second quarter of the 2025/26 financial year.

**Graph 6: Provincial departments – Rand value of invoices not paid within 30 days**



Graph 6 above illustrates a monthly comparison of the rand value of invoices paid after 30 days and the rand value of invoices older than 30 days and not paid by provincial departments during and at the end of the second quarter of the 2025/26 financial year.

The rand value of invoices paid after 30 days during the second quarter of the 2025/26 financial year amounted to R8.1 billion. This indicates **an improvement of 34%, or R4.1 billion**, compared to the rand value of invoices paid after 30 days by provincial departments in the first quarter of the 2025/26 financial year, which amounted to R12.2 billion.

The rand value of invoices older than 30 days and not paid by provincial departments at the end of September 2025 amounted to R12.1 billion. This represents **a regression of 6%, or R655 million**, compared to the rand value of invoices older than 30 days and not paid at the end of June 2025, which amounted to R11.4 billion.



## 5.5 Invoices paid after 30 days by provincial departments

**Table 5** below indicates the number and rand value of **invoices paid after 30 days** by provincial departments during the second quarter of the 2025/26 financial year:

**Table 5: Provincial departments – Invoices paid after 30 days**

<b>Provincial Departments</b> <b>Number and rand value of invoices paid after 30 days</b> <b>Quarter 2 – 2025/26 financial year</b>				
<b>No.</b>	<b>Provincial Government</b>	<b>Number of invoices</b>	<b>Rand value of invoices</b>	<b>% of number of invoices</b>
1	Limpopo	11	R 2 361 927	0%
2	Mpumalanga	134	R 8 436 660	0%
3	Western Cape	891	R 45 841 992	1%
4	Free State	2 491	R 509 212 561	3%
5	Northern Cape	2 603	R 371 238 900	3%
6	Gauteng	8 523	R 1 385 479 659	10%
7	Eastern Cape	19 782	R 1 034 609 024	24%
8	North-West	21 156	R 1 383 992 483	25%
9	Kwazulu-Natal	28 346	R 3 317 973 256	34%
<b>Total</b>		<b>83 937</b>	<b>R 8 059 146 461</b>	

Table 5 above illustrates the performance of provincial treasuries in terms of the number and rand value of invoices paid after 30 days during the second quarter of the 2025/26 financial year. The total number of invoices paid after 30 days by provincial departments amounted to 83,937 invoices with a rand value of R 8.1 billion.

Kwazulu-Natal provincial treasury reported the highest number and rand value of invoices paid after 30 days during the second quarter, amounting to 28,346 invoices or 34% of the total number of invoices paid after 30 days, to a rand value of R 3.3 billion.

North-West provincial treasury reported 21,156 invoices, or 25% of the total number of invoices paid after 30 days. Eastern Cape provincial treasury reported 19,782 invoices, or 24% of the total number of invoices paid after 30 days. Gauteng provincial treasury reported 8,523 invoices, or 10% of the total number of invoices paid after 30 days.

Limpopo provincial treasury reported the lowest number and rand value of invoices paid after 30 days during the second quarter of the 2025/26 financial year, which amounted to 11 invoices to the rand value of R2 million. Mpumalanga provincial treasury reported 134 invoices paid after 30 days with a rand value of R8 million, and Western Cape provincial treasury reported 891 invoices paid after 30 days with a rand value of R46 million.

## 5.6 Invoices older than 30 days and not paid by provincial departments

**Table 6** below indicates the number and rand value of invoices older than 30 days and not paid by provincial departments at the end of the second quarter of the 2025/26 financial year:

**Table 6: Provincial departments – Invoices older than 30 days and not paid**

<b>Provincial Departments</b> <b>Number and rand value of invoices older than 30 days and not paid</b> <b>Quarter 2 – 2025/26 financial year</b>				
<b>No.</b>	<b>Provincial Government</b>	<b>Number of invoices</b>	<b>Rand Value of invoices</b>	<b>% of number of invoices</b>
1	Limpopo	-	R -	0%
2	Western Cape	37	R 3 056 674	0%
3	Mpumalanga	165	R 22 491 690	0%
4	Free State	4 350	R 675 572 452	5%
5	Northern Cape	5 805	R 1 022 715 828	6%
6	KwaZulu-Natal	7 795	R 1 481 818 952	8%
7	North-West	9 871	R 791 664 722	11%
8	Gauteng	17 617	R 4 311 565 782	19%
9	Eastern Cape	46 583	R 3 785 307 341	51%
<b>Total</b>		<b>92 223</b>	<b>R 12 094 193 441</b>	<b>100%</b>

Table 6 above illustrates the performance of provincial treasuries in terms of the number and rand value of invoices older than 30 days and not paid at the end of September 2025. The total number of invoices older than 30 days and not paid by provincial departments at the end of September 2025 amounted to 92,223 invoices with a rand value of R12.1 billion.

Eastern Cape provincial treasury reported the highest number of invoices older than 30 days and not paid at the end of September 2025, which amounted to 46,583 invoices or 51% of the total number of unpaid invoices reported by provincial departments to a rand value of R3.8 billion. However, Gauteng provincial treasury reported the highest rand value of invoices not paid after 30 days, which amounted to R4.3 billion with 17,617 invoices or 19% of the total number of invoices not paid after 30 days.

North-West provincial treasury reported 9,871 invoices, or 11% of the total number of unpaid invoices, with a rand value of R792 million. KwaZulu-Natal provincial treasury reported 7,795 invoices, or 8% of the total number of unpaid invoices, with a rand value of R1.5 billion.

Limpopo provincial treasury reported no invoices older than 30 days and not paid at the end of September 2025. Western Cape provincial treasury reported the lowest number and rand value of invoices older than 30 days and not paid, which amounted to 37 invoices to the rand value of R3 million.

## 6. Common reasons provided for the late or non-payment of invoices

The following are the common reasons cited by national and provincial departments for late or non-payment of invoices during the second quarter of the 2025/26 financial year:

- a) Cash blocking, Financial and Budget constraints;
- b) Financial System (BAS and LOGIS) challenges ;
- c) Central Supplier Database (CSD) Challenges;
- d) Disputed invoices with suppliers;
- e) Outstanding source documents;
- 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.

## 7. Queries on non-payment of invoices

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 7** below illustrates the number and rand value of queries on non-payment of invoices received from suppliers in the second quarter of the 2025/26 financial year:

**Table 7: Queries on non-payment of invoices received**

Government institutions Number of queries received regarding non-payment of invoices Quarter 2 – 2025/26 financial year				
Institution	Number of queries		Rand value	%
National institutions	41	R	34 706 384	41%
Provincial institutions	43	R	38 309 493	43%
Municipalities	15	R	12 497 141	15%
<b>Total</b>	<b>99</b>	<b>R</b>	<b>85 513 018</b>	

The total number of queries on non-payment of invoices received from suppliers during the second quarter of the 2025/26 financial year amounted to 99 queries with a rand value of R86 million. Most of these queries (43%) related to provincial institutions, and national institutions were responsible for 41% of the queries received during the period under review.

The total number of queries received from suppliers regarding non-payment of invoices related to national departments and national public entities amounted to 41 queries with a rand value of R35 million. These queries were escalated to the relevant institution in the office of the Chief Financial Officer (CFO) for further investigation and resolution.

The total number of queries received from suppliers for non-payment of invoices by provincial departments and entities amounted to 43 queries with a rand value of R38 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 15 queries with a rand value of R12 million. These queries were referred to the Municipal Finance Management Act (MFMA) Chief Directorate for escalation to relevant municipalities for resolutions.

## 8. Conclusion

The analysis of the 30-day exception reports for the second quarter of the 2025/26 financial year reveals persistent challenges in the timely payment of supplier invoices. A total of 112,442 invoices were paid after 30 days, amounting to R10 billion, while 95,399 invoices remained unpaid at the end of the second quarter, with a value of R12.4 billion.

Provincial departments were responsible for 75% of late payments during the second quarter and 97% of unpaid invoices at the end of the second quarter, highlighting the urgent need for targeted interventions at the provincial level. In contrast, national departments accounted for 25% of late payments and only 3% of unpaid invoices during the period under review.

National departments that contributed most invoices towards the late or non-payment of invoices for the second quarter of the 2025/26 financial year are the Departments of Defence, Water and Sanitation (Trading Account), Public Works and Infrastructure (Trading Account), Correctional Services, Justice and Constitutional Development, Forestry, Fisheries and Environment, Land Reform and Rural Development, and Police.

The provincial departments that contributed the most invoices towards the late or non-payment of invoices for the second quarter of the 2025/26 financial year are the Eastern Cape, KwaZulu-Natal, Gauteng, Free State, Northwest, and the Northern Cape.

KwaZulu-Natal provincial treasury reported the highest number and rand value of invoices paid after 30 days during the second quarter of the 2025/26 financial year. Furthermore, the Eastern Cape provincial treasury reported the highest number of invoices older than 30 days and not paid at the end of September 2025. However, Gauteng provincial treasury reported the highest rand value of invoices older than 30 days and not paid at the end of September 2025.

The total number of queries received from suppliers during the second quarter of the 2025/26 financial year amounted to 99 queries with a rand value of R86 million. Through the intervention of the Office of the Accountant-General (OAG), queries to the rand value of R4 million were confirmed to be resolved, and payments were made to small and medium enterprises during the second quarter of the 2025/26 financial year.

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 second quarter of the 2025/26 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, and 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.



**2025/26**  
**Non-Compliance With**  
**PaymentsOf Supplier's**  
**Invoices Within 30 Days**  
**2nd Quarter Report**

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