

NATIONAL TREASURY

## 3rd Quarter Report

Stakeholders: All departments  
Invoices from: Suppliers  
Status: Compliance

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

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PFMA, Treasury  
Regulations and  
Treasury Instructions.



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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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 the Treasury Regulations.
- 1.2 The report further outlines the common reasons cited by the national and provincial departments for the late and/or non-payment of invoices and the initiatives undertaken 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 For Quarter 3 of 2025/2026 financial year, ninety-seven percent (97%) of national departments submitted their exception reports, however, only 90% of these departments timeously submitted their reports as required by National Treasury Instruction 34 of 2011.
- 3.3 All provincial treasuries submitted their exception reports, achieving a 100% submission rate, however, only 89% 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 third quarter of the 2025/26 financial year, compared with the second 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
<b>Quarter 2 – FY2025/26</b>				
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>
<b>Quarter 3 – FY2025/26</b>				
National Departments	19 689	R 978 814 675	2 147	R 319 425 493
Provincial Departments	69 810	R 9 774 909 733	88 709	R15 156 552 582
<b>Total</b>	<b>89 499</b>	<b>R 10 753 724 408</b>	<b>90 856</b>	<b>R 15 475 978 075</b>

- 3.5 Table 1 illustrates that the number of invoices paid after 30 days by national and provincial departments during the third quarter of the 2025/26 financial year amounted to 89,499 invoices. This represents an **improvement of 20%, or 22,943** invoices, compared to the second quarter of

the 2025/26 financial year, which amounted to 112,442 invoices.

- 3.6 The number of invoices older than 30 days and not paid by national and provincial departments at the end of the third quarter of the 2025/26 financial year amounted to 90,856 invoices. This represents **an improvement of 5%, or 4,543 invoices**, compared to the end of the second quarter of the 2025/26 financial year, which amounted to 95,399 invoices.
- 3.7 The rand value of invoices paid after 30 days by national and provincial departments during the third quarter of the 2025/26 financial year amounted to R10,8 billion. This represents **a regression of 7%, or R737 million**, compared to the second quarter of the 2025/26 financial year, which amounted to R10,0 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 third quarter of the 2025/26 financial year amounted to R15,5 billion. This represents **a regression of 25%, or R3,1 billion**, compared to the end of the second quarter of the 2025/26 financial year, which amounted to R12,4 billion.
- 3.9 The analysis further indicates that national departments are responsible for 22% of invoices paid after 30 days during the third quarter of the 2025/26 financial year and are also responsible for 2% of invoices older than 30 days and not paid at the end of December 2025.
- 3.10 Provincial departments account for 78% of invoices paid after 30 days, and 98% of invoices older than 30 days and not paid at the end of December 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

This analysis is based on the information submitted by national departments during the third quarter of the 2025/26 financial year. In terms of the Instruction, 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.

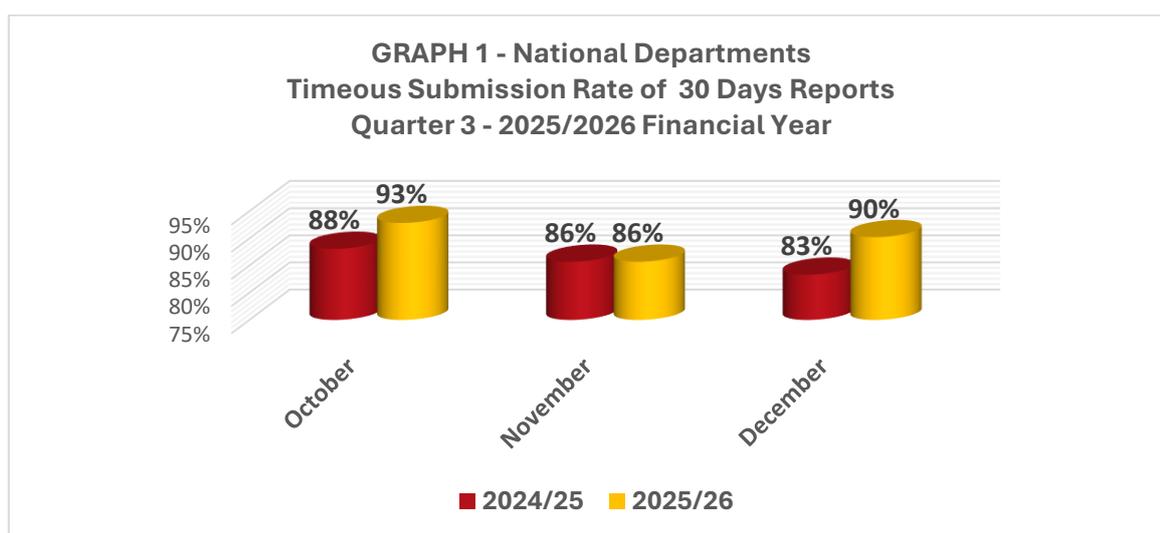
Ninety-seven percent (97%) of national departments submitted their exception reports to the National Treasury during the third quarter of the 2025/26 financial year, with only 90% of national departments submitting these reports by the legislated date.

The Department of Employment and Labour didn't submit its report for December 2025, and the Department of Agriculture also did not submit reports for the third quarter of the 2025/26 financial year, citing administrative issues.

#### 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 third 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**

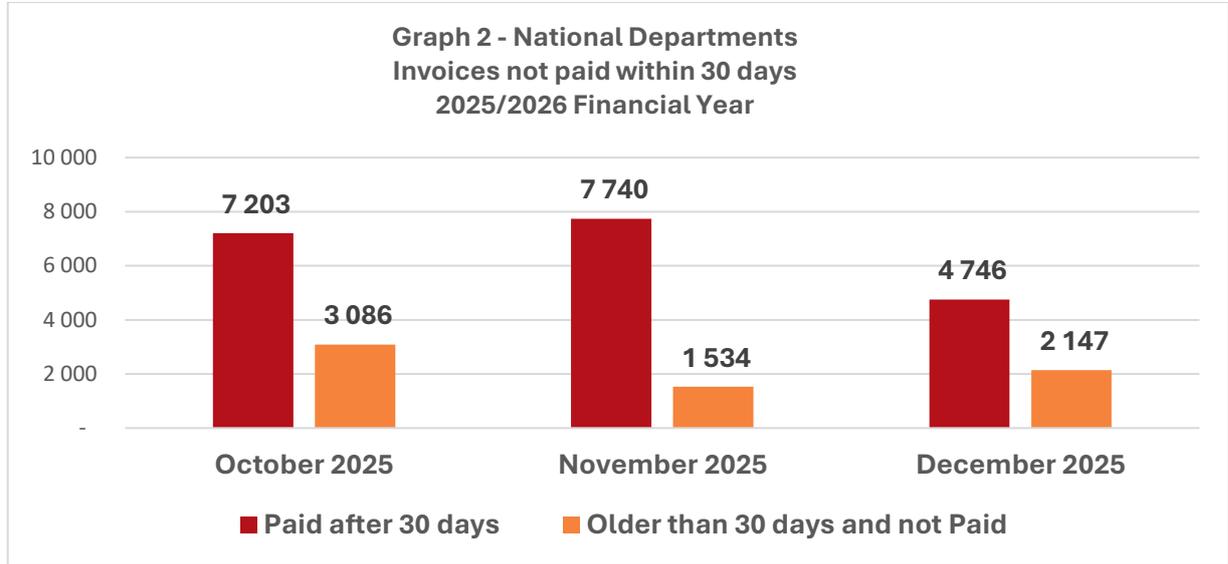


Graph 1 illustrates that not all national departments managed to submit monthly exception reports timeously, resulting in the national departments achieving an average timeous submission rate of 90% during the third quarter of the 2025/26 financial year, representing an **improvement of 4%** when compared with the average timeous submission rate of 86% achieved during the third 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 third 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 third quarter of the 2025/26 financial year.

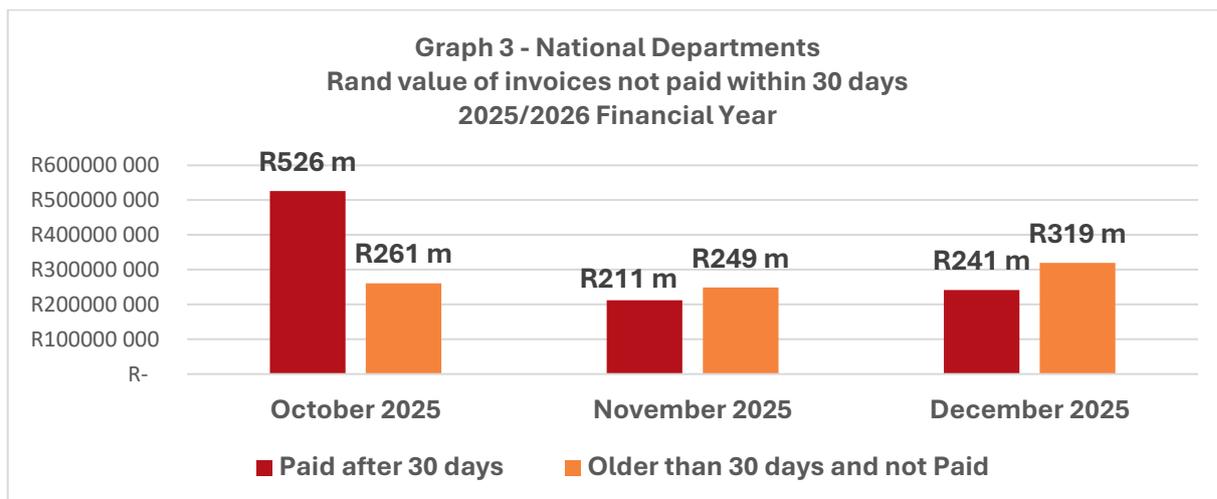
The total number of invoices paid after 30 days during the third quarter of the 2025/26 financial year amounted to 19,689 invoices. This represents **an improvement of 30%, or 8,816 invoices**, compared to the number of invoices paid after 30 days during the second quarter of the 2025/26 financial year, which amounted to 28,505 invoices.

The total number of invoices older than 30 days and not paid by national departments at the end of December 2025 amounted to 2,147 invoices. This represents **an improvement of 32%, or 1,029 invoices** compared to the number of invoices older than 30 days and not paid at the end of September 2025, which amounted to 3,176 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 third 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 third quarter of the 2025/26 financial year.

The rand value of invoices paid after 30 days by national departments in the third quarter of the 2025/26 financial year amounted to R 978 million. This represents **an improvement of 50%, or R979 million**, compared to the rand value of invoices paid after 30 days in the second quarter of the 2025/26 financial year, which amounted to R1,958 billion.

On the contrary, the rand value of invoices older than 30 days and not paid by national departments at the end of December 2025 amounted to R319 million. This represents **a regression of 14%, or R40 million**, compared to the rand value of invoices older than 30 days and not paid at the end of September 2025, which amounted to R279 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 third 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>
Higher Education and Training	1	R	1 117	0%
Electricity and Energy	4	R	305 411	0%
Independent Police Investigative Directorate	4	R	19 580	0%
Employment and Labour	4	R	1 431 395	0%
Transport	5	R	75 480	0%
Social Development	10	R	131 763	0%
Forestry, Fisheries and Environment	16	R	894 974	0%
Home Affairs	17	R	1 210 309	0%
National School of Government	21	R	374 356	0%
Office of the Chief Justice	70	R	2 014 339	0%
Water and Sanitation (Main Account)	78	R	26 825 338	0%
Land Reform and Rural Development	100	R	101 669 625	1%
Police	115	R	1 713 391	1%
Government Communication and Information Systems	126	R	1 313 234	1%
Public Works and Infrastructure (Main Account)	167	R	8 956 197	1%
Justice and Constitutional Development	167	R	41 398 234	1%
Correctional Services	443	R	112 581 725	2%
Water and Sanitation (Trading Account)	1 181	R	11 569 916	6%
Public Works and Infrastructure (PMTE)	1 391	R	215 914 658	7%
Defence	15 769	R	450 413 625	80%
<b>Total</b>	<b>19 689</b>	<b>R</b>	<b>978 814 675</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 third quarter of the 2025/26 financial year. The total number of invoices paid after 30 days by national departments in the third quarter amounted to 19,689, with a rand value of R979 million.

The Department of Defence reported the highest number and rand value of invoices paid after 30 days during the third quarter of the 2025/26 financial year, which amounted to 15,769 invoices, or

80% of the total number of invoices paid after 30 days by national departments, with a rand value of R450 million.

The Department of Public Works and Infrastructure (PMTE) reported the second-highest number of invoices paid after 30 days during the same period, which amounted to 1,391 invoices, or 7% of the total number of invoices paid after 30 days by national departments, to the rand value of R216 million.

#### 4.6 National departments that reported unpaid invoices

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

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

National departments Departments that reported unpaid invoices Quarter 3 - 2025/256 financial year			
Department	Number of Invoices	Rand Value of Invoices	% of number of invoices
Home Affairs	6	R 39 382	0%
Land Reform and Rural Development	9	R 14 289	0%
Public Works and Infrastructure (Main Account)	10	R 1 350 919	0%
Water and Sanitation (Trading Account)	11	R 31 354	1%
Forestry, Fisheries and Environment	15	R 2 876 889	1%
Public Works and Infrastructure (PMTE)	964	R 268 275 303	45%
Justice and Constitutional Development	1 132	R 46 837 356	53%
<b>Total</b>	<b>2 147</b>	<b>R 319 425 493</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 December 2025. The total number of invoices older than 30 days and not paid at the end of December 2025 by national departments amounted to 2,147 invoices with a rand value of R319 million.

The Department of Justice and Constitutional Development reported the highest number of invoices older than 30 days and not paid, which amounted to 1,132 invoices or 53% of the total number of unpaid invoices by national departments, to the rand value of R47 million.

However, Public Works and Infrastructure (PMTE) reported the highest rand value of invoices not paid after 30 days, which amounted to R268 million, with 964 invoices or 45% 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 third quarter of the 2025/26 financial year:

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

National Departments Departments that paid all legitimate invoices within 30 days Quarter 3 - 2025/26 financial year	
No.	Department
1	Basic Education
2	Civilian Secretariat for the Police Service
3	Communications and Digital Technologies
4	Cooperative Governance
5	Health
6	Human Settlements
7	International Relations and Cooperation
8	Mineral Resources and Energy
9	National Treasury
10	Planning, Monitoring and Evaluation
11	Public Service and Administration
12	Public Service Commission
13	Science, Technology and Innovation
14	Small Business Development
15	Sports, Arts and Culture
16	Statistics South Africa
17	Tourism
18	Trade, Industry and Competition
19	Traditional Affairs
20	The Presidency
21	Women, Youth and Persons with Disabilities

Table 4 above illustrates the national departments that paid all invoices within 30 days during the third quarter of the 2025/26 financial year. **These departments had no outstanding invoices at the end of the third 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

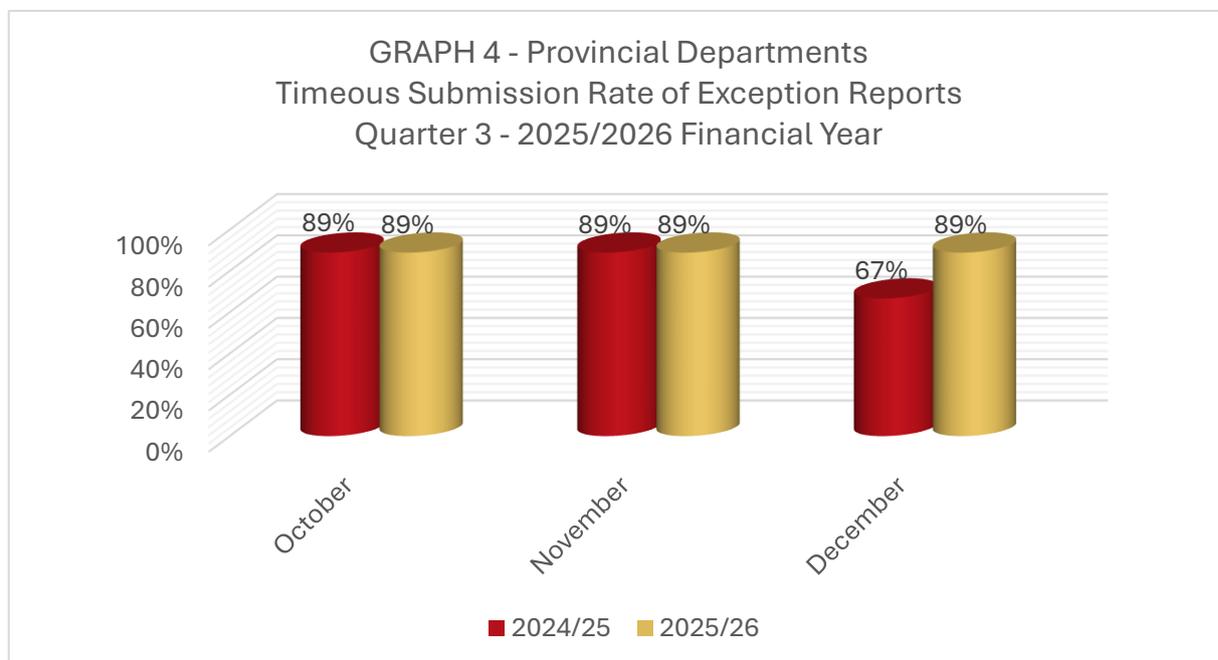
Provincial departments analysis is based on the information submitted by provincial treasuries on behalf of their respective provincial departments during the third quarter of the 2025/26 financial year. Provincial treasuries are required to submit exception reports to the National Treasury by the 15<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 third quarter of the 2025/26 financial year, with 89% 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 third 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**



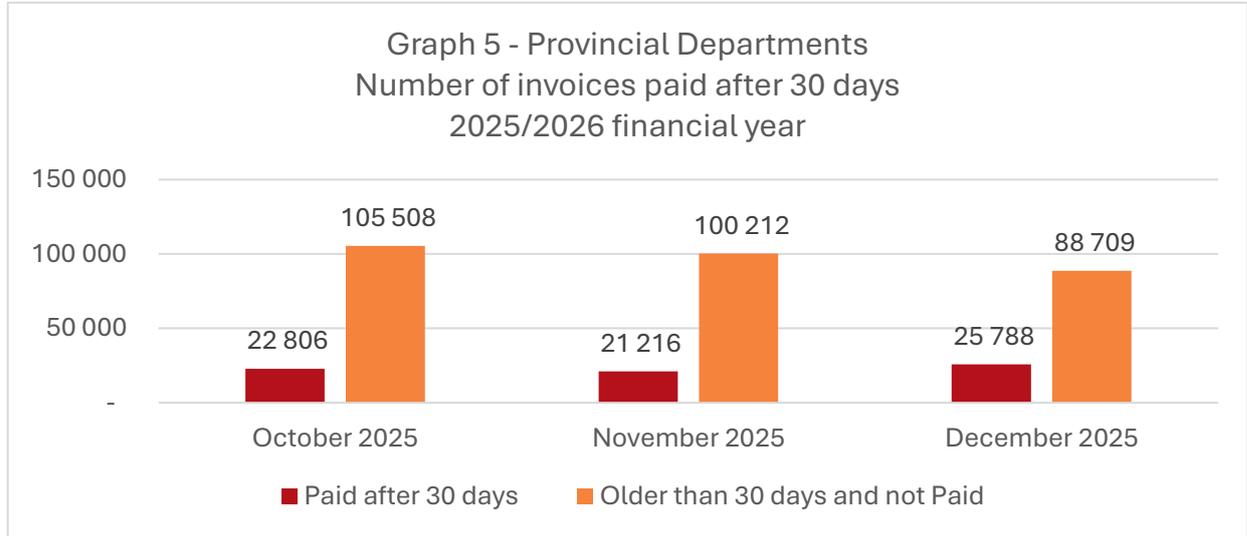
Graph 4 illustrates that not all provincial treasuries managed to submit monthly exception reports timeously to the National Treasury, resulting in the provincial treasuries achieving an average timeous submission rate of 89% during the third quarter of the 2025/26 financial year. This represents a **regression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

achieved during the second 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 third 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 third quarter of the 2025/26 financial year.

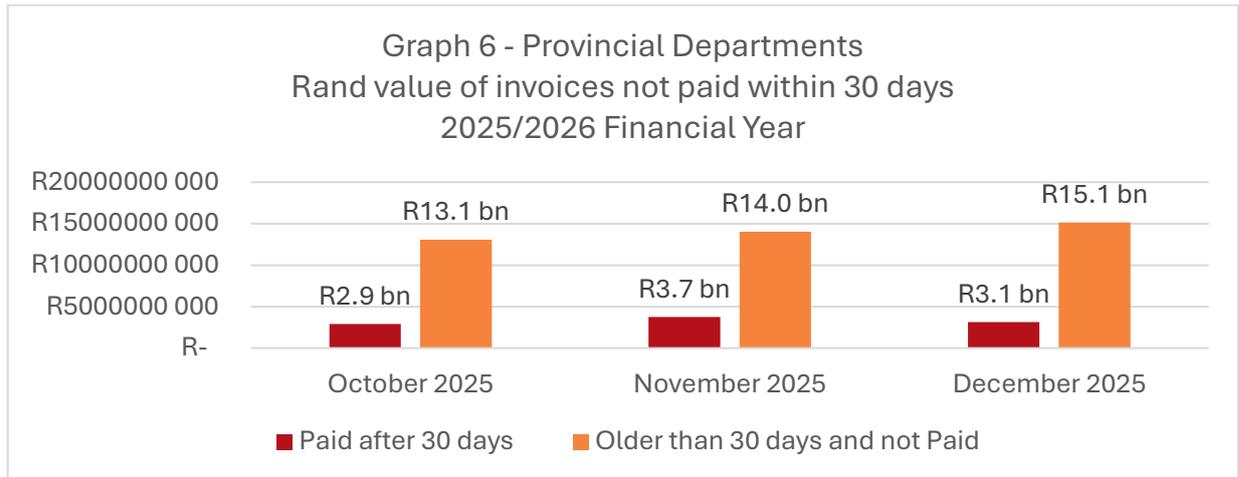
The number of invoices paid after 30 days during the third quarter of the 2025/26 financial year amounted to 69,810 invoices. This represents **an improvement of 17%, or 14,127 invoices**, compared to the number of invoices paid after 30 days during the second quarter of the 2025/26 financial year, which amounted to 83,937 invoices.

The number of invoices older than 30 days and not paid by provincial departments at the end of December 2025 amounted to 88 709 invoices. This indicates **an improvement of 4%, or 3,514 invoices**, compared to the number of invoices older than 30 days and not paid by provincial departments at the end of September 2025, which amounted to 92,223 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 third 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 third quarter of the 2025/26 financial year.

The rand value of invoices paid after 30 days during the third quarter of the 2025/26 financial year amounted to R9,8 billion. This indicates **a regression of 21%, or R1,7 billion**, compared to the rand value of invoices paid after 30 days by provincial departments in the second quarter of the 2025/26 financial year, which amounted to R8,1 billion.

The rand value of invoices older than 30 days and not paid by provincial departments at the end of December 2025 amounted to R15,1 billion. This represents **a regression of 3%, or R3,1 billion**, compared to the rand value of invoices older than 30 days and not paid at the end of September 2025, which amounted to R12,0 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 third quarter of the 2025/26 financial year:

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

Provincial Departments Number and rand value of invoices paid after 30 days Quarter 3 – 2025/26 financial year				
No.	Provincial Government	Number of invoices	Rand value of invoices	% of number of invoices
1	Limpopo	12	R 1 557 054	0%
2	Mpumalanga	179	R 36 338 862	0%
3	Western Cape	922	R 56 709 993	1%
4	Northern Cape	2 321	R 290 801 091	3%
5	Free State	3 486	R 362 418 114	5%
6	Gauteng	6 961	R 1 457 804 463	10%
7	North-West	17 508	R 1 506 100 411	25%
8	Kwazulu-Natal	18 064	R 4 060 052 905	26%
9	Eastern Cape	20 357	R 2 003 126 840	29%
<b>Total</b>		<b>69 810</b>	<b>R 9 774 909 733</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 third quarter of the 2025/26 financial year. The total number of invoices paid after 30 days by provincial departments amounted to 69,810 invoices with a rand value of R 9,8 billion.

Eastern Cape provincial treasury reported the highest number and rand value of invoices paid after 30 days during the third quarter, amounting to 20,357 invoices or 29% of the total number of invoices paid after 30 days, to a rand value of R 2,0 billion.

Kwazulu-Natal provincial treasury improved from reporting the highest number of invoices paid after 30 days in the second quarter to being the second highest during the third quarter with 18,064 invoices or 26% to a rand value of R4,0 billion reported.

Limpopo provincial treasury reported the lowest number and rand value of invoices paid after 30 days during the third quarter of the 2025/26 financial year, which amounted to 12 invoices to the rand value of R1,5 million. Mpumalanga provincial treasury reported 179 invoices paid after 30 days with a rand value of R36 million, and Western Cape provincial treasury reported 922 invoices paid after 30 days with a rand value of R56 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 third quarter of the 2025/26 financial year:

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

<b>Provincial Departments Number and Rand Value of invoices older than 30 days and not paid Quarter 3 - 2025/26 financial year</b>			
	<b>Number of invoices</b>	<b>Rand Value of invoices</b>	<b>%</b>
Limpopo	-	R -	0%
Mpumalanga	7	R 2 347 876	0%
Western Cape	37	R 257 886	0%
Free State	5 155	R 1 122 042 339	6%
Northern Cape	7 265	R 1 071 764 186	8%
North-West	12 865	R 980 471 795	15%
KwaZulu-Natal	14 520	R 2 087 526 322	16%
Gauteng	18 490	R 5 232 615 088	21%
Eastern Cape	30 370	R 4 659 527 090	34%
<b>Total</b>	<b>88 709</b>	<b>R 15 156 552 582</b>	<b>100%</b>

Table 6 above illustrates the performance of provinces in terms of the number and rand value of invoices older than 30 days and not paid at the end of December 2025 as reported by the provincial treasuries. The total number of invoices older than 30 days and not paid by provincial departments at the end of December 2025 amounted to 88,709 invoices with a rand value of R15,1 billion.

Eastern Cape provincial treasury reported the highest number of invoices older than 30 days and not paid at the end of December 2025 in their province, which amounted to 30,370 invoices or 34% of the total number of unpaid invoices reported by provincial departments to a rand value of R4,6 billion. However, Gauteng provincial treasury reported the highest rand value of invoices not paid after 30 days in their province, which amounted to R5,2 billion with 18,490 invoices or 21% of the total number of invoices not paid after 30 days.

Limpopo provincial treasury reported no invoices older than 30 days and not paid at the end of December 2025. Mpumalanga provincial treasury reported the lowest number and rand value of invoices older than 30 days and not paid, which amounted to 7 invoices to the rand value of R2 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 third 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 third 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 3 – 2025/26 financial year			
Institution	Number of queries	Rand value	%
National institutions	48	R 26 945 102	47%
Provincial institutions	41	R 13 627 732	39%
Municipalities	14	R 8 055 127	14%
<b>Total</b>	<b>103</b>	<b>R 48 627 960</b>	

The total number of queries on non-payment of invoices received from suppliers during the third quarter of the 2025/26 financial year amounted to 103 queries with a rand value of R49 million. Most of these queries (47%) related to national institutions, 39% of queries were related to provincial institutions, and 14% were related to municipalities during Quarter 3 of 2025/26.

The total number of queries received from suppliers regarding non-payment of invoices by national departments and national public entities amounted to 48 queries with a rand value of R27 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 public entities amounted to 41 queries with a rand value of R14 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 14 queries with a rand value of R8 million. These queries were referred to the Municipal Finance Management Act (MFMA) Chief Directorate for escalation to relevant municipalities for resolutions.

## 8. Conclusion

There has been a **notable improvement in the payment of invoices by national and provincial departments during the third quarter of the 2025/26 financial year**. The number of invoices paid after 30 days decreased significantly by 20% compared to the second quarter, while invoices older than 30 days and not paid at the end of the third quarter declined by 5%. These reductions indicate positive progress in addressing outstanding invoices, although continued efforts are required to further strengthen compliance with the payment of invoices within 30 days.

Provincial departments were responsible for 78% of late payments during the third quarter and 98% of unpaid invoices at the end of the third quarter, highlighting the urgent need for targeted interventions at the provincial level. In contrast, national departments accounted for 22% of late payments and only 2% of unpaid invoices during the period under review.

National departments that contributed the most invoices towards the late or non-payment of invoices for the third quarter of the 2025/26 financial year are the Departments of Defence, Water and Sanitation (Trading Account) and Public Works and Infrastructure (Trading Account).

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

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

The total number of queries received from suppliers during the third quarter of the 2025/26 financial year amounted to 103 queries with a rand value of R49 million. Through the intervention of the Office of the Accountant-General (OAG), queries to the rand value of R16 million were confirmed to be resolved, and payments were made to SMMEs during the third quarter of the 2025/26 financial year.

The common reasons provided by national and provincial departments for late and/or non-payment of invoices during the second quarter of the 2025/26 financial year include inadequate cash blocking, financial, and budget constraints; challenges with financial system (BAS and LOGIS); challenges with Central Supplier Database (CSD); disputed invoices with suppliers; outstanding source documents; unresolved SCM-related challenges; internal control deficiencies; Inadequate internal capacity; late

processing and authorisation of invoices; and misfiled, misplaced or unrecorded invoices.

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 third 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**  
**Payments Of Supplier's**  
**Invoices Within 30 Days**  
**3rd Quarter Report**

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