

NATIONAL TREASURY

## 1st 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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PFMA, Treasury  
Regulations and  
Treasury Instructions.



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



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## 1. Purpose

- 1.1 The purpose of this quarterly report is to provide relevant stakeholders with information regarding the extent to which national and provincial departments adhere to the legislative requirements to settle suppliers' invoices within 30 days.
- 1.2 Furthermore, this 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 suppliers' invoices within 30 days.

## 2. Legislative Framework

- 2.1 In terms of section 38(1)(f) of the Public Finance Management Act (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 84% of national departments timeously submitted these reports as required by the National Treasury Instruction 34 of 2011.
- 3.3 A 100% submission rate was achieved by provincial treasuries on the submission of exception reports. 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 first quarter of the 2025/26 financial year compared with the fourth quarter of the 2024/25 financial year.
- 3.5 The analysis indicates that national departments are responsible for 21% of invoices paid after 30 days during the first quarter of the 2025/26 financial year and responsible for 2% of invoices older than 30 days and not paid at the end of June 2025.
- 3.6 Provincial departments account for 79% of invoices paid after 30 days and 98% of invoices older than 30 days and not paid at the end of June 2025.

**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 4 – FY2024/25				
National Departments	33 858	R 2 522 122 745	2 229	R 432 859 620
Provincial Departments	78 506	R 9 224 784 900	140 364	R 17 796 846 663
<b>Total</b>	<b>112 364</b>	<b>R 11 746 907 645</b>	<b>142 593</b>	<b>R 18 229 706 284</b>
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>

- 3.7 Table 1 illustrates that the number of invoices paid after 30 days by national and provincial departments during the first quarter of the 2025/26 financial year amounted to 172,387 invoices with a rand value of R 14.7 billion. This represents **a regression of 53%, or 60,023 invoices**, compared to the fourth quarter of the 2024/25 financial year, which amounted to 112,364 invoices.
- 3.8 The number of invoices older than 30 days and not paid by national and provincial departments at the end of the first quarter of the 2025/26 financial year amounted to 81,736 invoices with a rand value of R11.7 billion. This represents **an improvement of 43%, or 60 857 invoices**, compared to the end of the fourth quarter of the 2024/25 financial year, which amounted to 142,593 invoices.
- 3.9 The rand value of invoices paid after 30 days by national and provincial departments during the first quarter of the 2025/26 financial year amounted to R14.7 billion. This represents **a regression of 25%, or R3.0 billion**, compared to the fourth quarter of the 2024/25 financial year, which amounted to R11.7 billion.
- 3.10 The rand value of invoices older than 30 days and not paid by national and provincial departments at the end of the first quarter of the 2025/26 financial year amounted to R11.7 billion. This represents **an improvement of 36%, or R6.5 billion**, compared to the end of the fourth quarter of the 2024/25 financial year, which amounted to R18.2 billion.

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

- 3.11 The common reasons provided by national and provincial departments for the late or non-payment of invoices during the first quarter of the 2025/26 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-related challenges; internal control deficiencies; inadequate internal capacity; late processing and authorisation of invoices; and misfiled, misplaced or unrecorded invoices.

### Transition to SCOA V6 and BAS Technical Environment Refresh

- 3.12 On 1 April 2025, the National Treasury successfully implemented Version 6 of the Standard Chart of Accounts (SCOA V6), replacing the previous version (SCOA V5) that had been in use since 2017. This transition was accompanied by a complete refresh of the BAS technical environment, necessitating the development of new databases for all departments. The modernisation initiative aimed to improve financial data classification, align budget structures with evolving reporting requirements, and enhance overall system performance.
- 3.13 Despite extensive preparation, the concurrent transition to SCOA V6 and the closure of the 2024/2025 financial year placed significant pressure on both the system and support teams.

These challenges, while anticipated during a dual-transition of this scale, did result in temporary impacts on system performance and service responsiveness, raising concerns about potential payment delays. However, analysis of this report reveals that:

- Support teams played a pivotal role in assisting departments,
- Payments were processed efficiently and within prescribed timeframes as evidenced by the notable improvement in table 1 above, and
- The transition, though complex, was effectively managed, minimizing disruption to core financial operations.



## Analysis of Exception Reports

### 4. National Departments

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

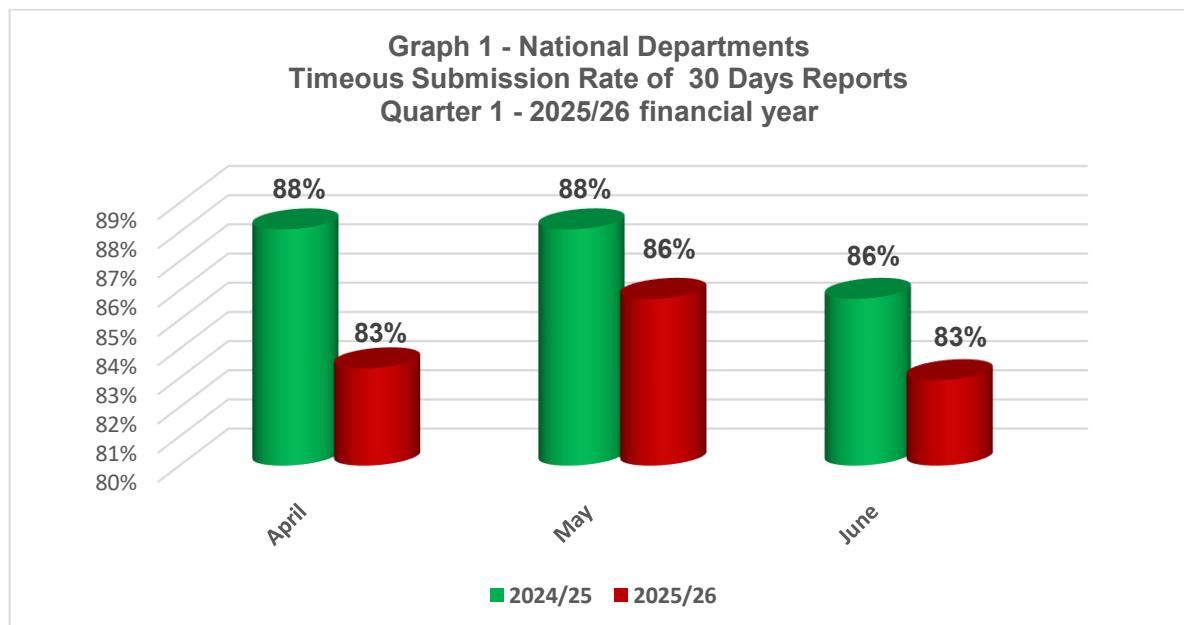
The analysis is based on the information submitted by national departments during the first quarter of the 2025/26 financial year. National departments are required to submit exception reports to the National Treasury by the 7th day of each month with information in respect of the preceding month.

Ninety-seven percent (97%) of national departments submitted their exception reports to the National Treasury during the first quarter of the 2025/26 financial year, with only 84% of national departments timeously submitting these reports by the legislated date.

The Independent Police Investigative Directorate did not submit the report for June 2025, and the Department of Agriculture failed to submit reports for the first quarter of the 2025/26 financial year citing administrative issues as the reason for non-compliance.

**Graph 1** below provides a month-to-month comparative analysis of the **timeous submission rate of Exception Reports** by national departments in the first 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**

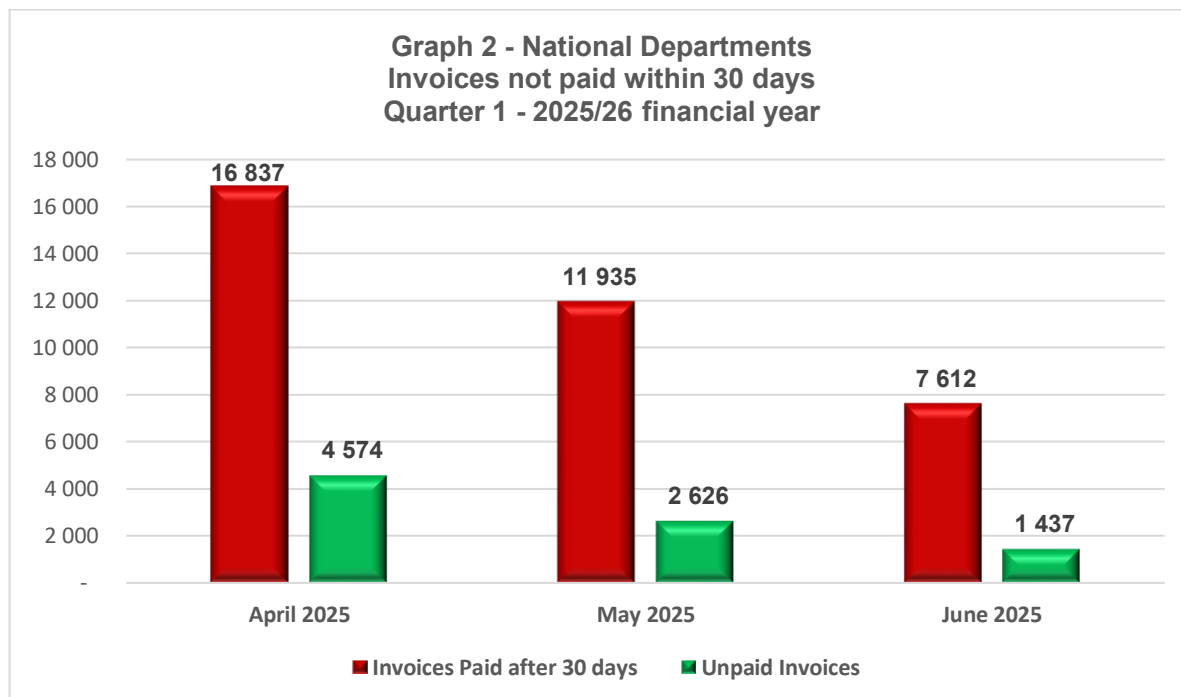


Graph 1 illustrates that not all national departments managed to submit monthly exception reports timeously to the National Treasury, resulting in the national departments achieving an average timeous submission rate of 84% during the first quarter of the 2025/26 financial year, representing a **regression of 3%** when compared with the average timeous submission rate of 87% achieved during the first quarter of the 2024/25 financial year.

## 4.2 Invoices not paid within 30 days

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

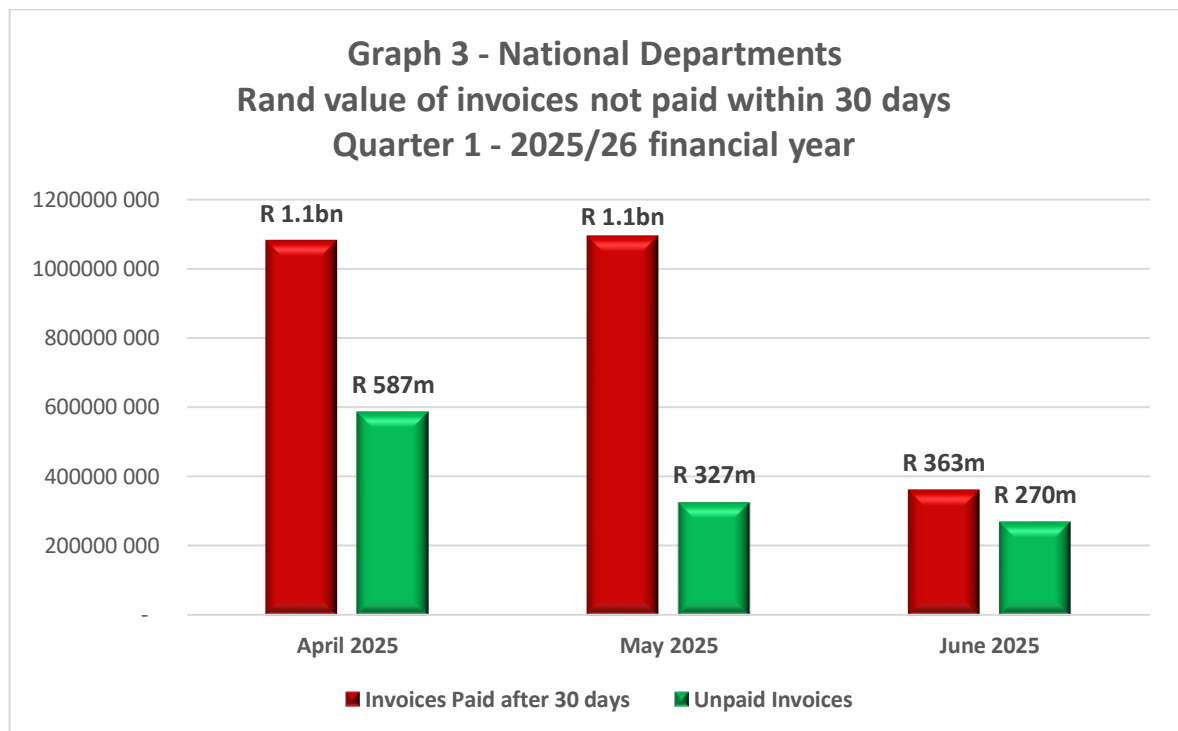
The total number of invoices paid after 30 days during the first quarter of the 2025/26 financial year amounted to 36,384 invoices. This represents **a regression of 7%, or 2,526 invoices**, compared to the number of invoices paid after 30 days during the fourth quarter of the 2024/25 financial year, which amounted to 33,858 invoices.

The total number of invoices older than 30 days and not paid by national departments at the end of June 2025 amounted to 1,437 invoices. This represents **an improvement of 36%, or 792 invoices**, compared to the number of invoices older than 30 days and not paid at the end of March 2025, which amounted to 2,229 invoices.



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

The rand value of invoices paid after 30 days by national departments in the first quarter of the 2025/26 financial year amounted to R 2.539 billion. This represents **a regression of 1%, or R16 million**, compared to the rand value of invoices paid after 30 days in the fourth quarter of the 2024/25 financial year, which amounted to R2.522 billion.

The rand value of invoices older than 30 days and not paid by national departments at the end of June 2025 amounted to R 270 million. This represents **an improvement of 38%, or R163 million**, compared to the rand value of invoices older than 30 days and not paid at the end of March 2025, which amounted to R433 million.

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

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

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

National departments Departments that reported invoices paid after 30 days Quarter 1 – 2025/26 financial year				
Department	Number of Invoices		Rand Value of Invoices	% of number of invoices
Tourism	1	R	2 438	0%
Health	1	R	2 024 000	0%
The Presidency	2	R	1 117 888	0%
Independent Police Investigative Directorate	8	R	190 152	0%
Women, Youth and Persons with Disabilities	8	R	414 081	0%
Military Veterans	17	R	3 156 004	0%
Forestry, Fisheries and Environment	18	R	2 132 417	0%
Higher Education and Training	19	R	74 527	0%
National School of Government	30	R	997 147	0%
Transport	45	R	874 825	0%
Employment and Labour	50	R	9 787 870	0%
Social Development	61	R	7 120 423	0%
Water and Sanitation (Trading Account)	147	R	7 376 187	0%
Office of the Chief Justice	220	R	13 799 238	1%
Public Works and Infrastructure (Main Account)	304	R	2 595 144	1%
Government Communication and Information Systems	438	R	7 223 636	1%
Home Affairs	595	R	159 438 176	2%
Police	808	R	468 952 912	2%
Land Reform and Rural Development	880	R	129 408 624	2%
Justice and Constitutional Development	962	R	8 576 084	3%
Water and Sanitation (Main Account)	1 593	R	233 485 834	4%
Public Works and Infrastructure (Trading Account)	3 069	R	249 309 244	9%
Defence	11 129	R	656 210 981	31%
Correctional Services	15 979	R	574 261 530	44%
<b>Total</b>	<b>36 384</b>		<b>R 2 538 529 362</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 first quarter of the 2025/26 financial year. The total number of invoices paid after 30 days by national departments in the first quarter amounted to 36,384 invoices with a rand value of R 2.5 billion.

The Department of Correctional Services reported the highest number and rand value of invoices paid after 30 days during the first quarter, which amounted to 15,979 invoices or 44% of the total number of invoices paid after 30 days by national departments to the rand value of R 574 million. The Department of Defence reported the second-highest number of invoices paid after 30 days during the same period, which amounted to 11,129 invoices or 31% of the total number of invoices paid after 30 days by national departments, to the rand value of R 656 million.

#### 4.4 National departments that reported unpaid invoices

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

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

<b>National departments</b> <b>Departments that reported unpaid invoices at the end of June 2025</b> <b>Quarter 1 - 2025/26 financial year</b>				
<b>Department</b>	<b>Number of Invoices</b>	<b>Rand Value of Invoices</b>	<b>% on number of invoices</b>	<b>% on the value of invoices</b>
Water and Sanitation (Main Account)	2	R 1 047 915	0%	0%
Public Works and Infrastructure (Main Account)	6	R 755 217	0%	0%
Social Development	8	R 317 482	0%	0%
Forestry, Fisheries and Environment	17	R 12 373 145	1%	5%
Home Affairs	80	R 2 199 905	6%	1%
Water and Sanitation (Trading Account)	109	R 1 728 711	8%	1%
Land Reform and Rural Development	154	R 534 805	11%	0%
Public Works and Infrastructure (PMTE)	286	R 237 494 348	20%	88%
Justice and Constitutional Development	775	R 14 022 500	54%	5%
<b>Total</b>	<b>1 437</b>	<b>R 270 474 028</b>	<b>100%</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 June 2025. The total number of invoices older than 30 days and not paid at the end of June 2025 by national departments amounted to 1 437 invoices with a rand value of R270 million.

The Department of Justice and Constitutional Development reported the highest number of invoices older than 30 days and not paid, which amounted to 775 invoices or 60% of the total number of unpaid invoices by national departments, to the rand value of R14 million. However, Public Works and Infrastructure (PMTE) reported the highest rand value of

invoices not paid after 30 days, which amounted to R237 million, with 286 invoices or 22% of the total number of invoices not paid after 30 days.

#### 4.5 National departments that paid all invoices

**Table 4** below indicates national departments that paid all invoices within 30 days during the first 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 1 - 2025/26 financial year</b>	
<b>No.</b>	<b>Department</b>
1	Civilian Secretariat for the Police Service
2	Communications and Digital Technologies
3	Cooperative Governance
4	Trade, Industry and Competition
5	Basic Education
6	Human Settlements
7	Mineral Resources and Energy
8	Electricity 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	International Relations and Cooperation

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

### 5. Provincial Treasuries

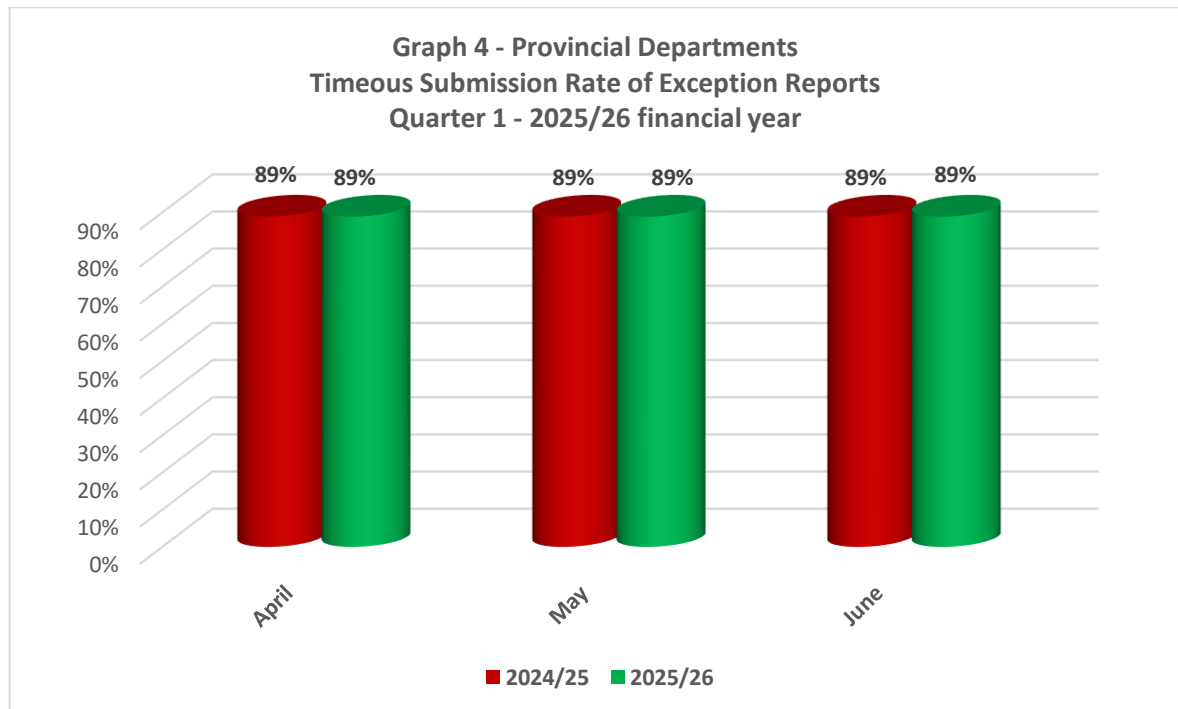
#### 5.1 Submission of the 30-day Exception Reports

The analysis is based on the information submitted by provincial treasuries on behalf of their respective provincial departments during the first 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 first quarter of the 2025/26 financial year, with only 89% of provincial treasuries submitting these reports by the legislated date as required by the National Treasury Instruction 34 of 2011.

**Graph 4** below provides a month-to-month comparative analysis of the **timeous submission rate of Exception Reports** by provincial treasuries in the first 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**

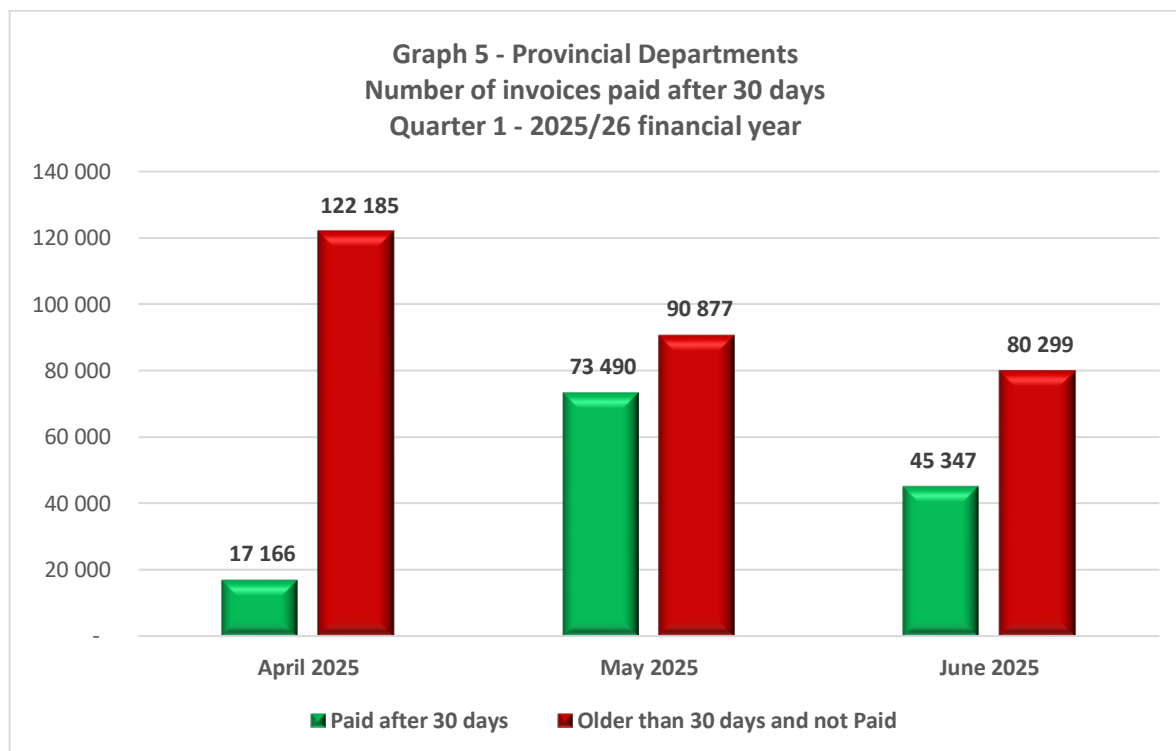


Graph 4 illustrates that not all provincial treasuries managed to submit monthly exception reports timeously to the National Treasury, resulting in the provincial treasuries achieving an average timeous submission rate of 89% during the first quarter of the 2025/26 financial year, representing an **improvement of 4%** when compared with the average timeous submission rate of 85% achieved during the fourth quarter of the 2024/25 financial year.

## 5.2 Invoices not paid within 30 days

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

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



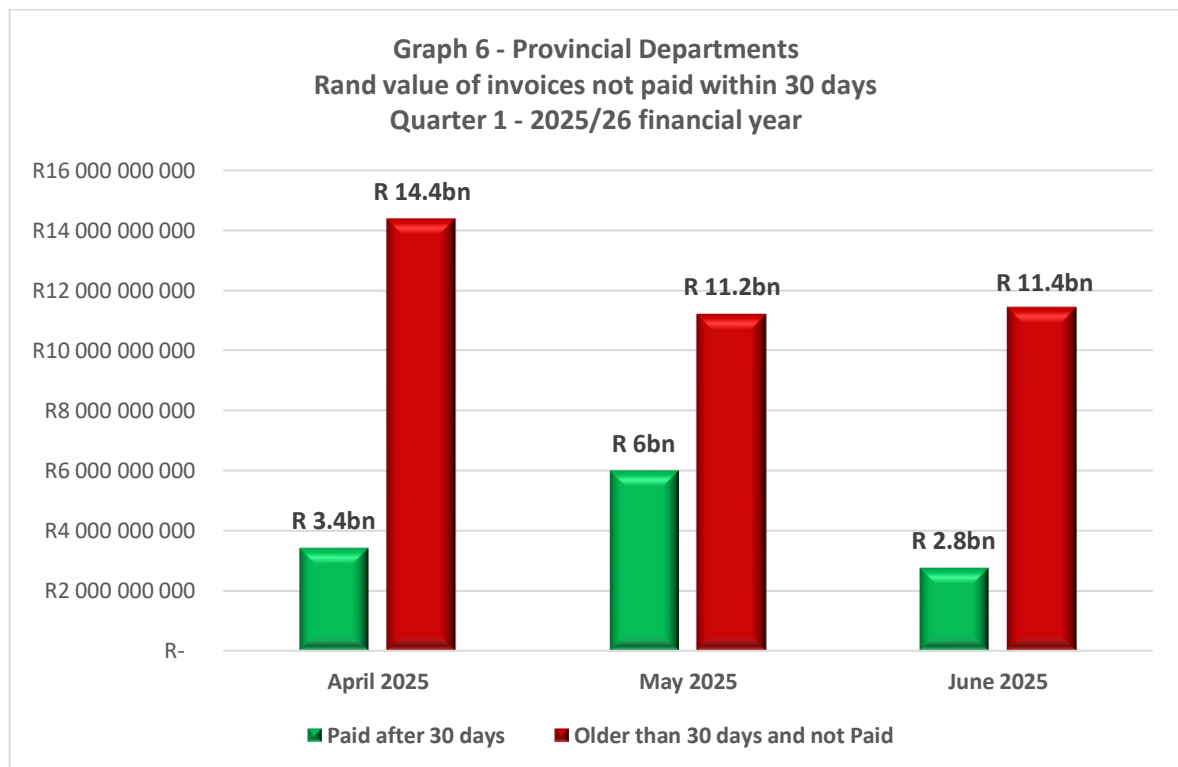
Graph 5 above illustrates a monthly comparison of the number of invoices paid after 30 days and the number of invoices older than 30 days and not paid by provincial departments during the first quarter of the 2025/26 financial year.

The number of invoices paid after 30 days during the first quarter of the 2025/26 financial year amounted to 136,003 invoices. This represents **a regression of 73%, or 57,497 invoices**, compared to the number of invoices paid after 30 days during the fourth quarter of the 2024/25 financial year, which amounted to 78,506 invoices.

The number of invoices older than 30 days and not paid by provincial departments at the end of June 2025 amounted to 80,299 invoices. This indicates **an improvement of 43%, or 60,065 invoices**, compared to the number of invoices older than 30 days and not paid by provincial departments at the end of March 2025, which amounted to 140,364 invoices.

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

The rand value of invoices paid after 30 days during the first quarter of the 2025/26 financial year amounted to R12.2 billion. This indicates **a regression of 32%, or R 2.9 billion**, compared to the rand value of invoices paid after 30 days by provincial departments in the fourth quarter of the 2024/25 financial year, which amounted to R 9.2 billion.

The rand value of invoices older than 30 days and not paid by provincial departments at the end of June 2025 amounted to R 11.4 billion. This represents **an improvement of 36%, or R 6.4 billion**, compared to the rand value of invoices older than 30 days and not paid at the end of March 2025, which amounted to R 17.8 billion.



### 5.3 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 first 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 1 – 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	130	R 61 140 883	0%
2	Mpumalanga	170	R 22 634 073	0%
3	Western Cape	1 363	R 170 310 204	1%
4	Free State	1 982	R 257 974 458	1%
5	Northern Cape	3 300	R 531 020 534	2%
6	Gauteng	21 228	R 3 529 333 517	16%
7	North-West	24 157	R 1 868 248 235	18%
8	Eastern Cape	27 652	R 2 288 689 767	20%
9	Kwazulu-Natal	56 021	R 3 448 257 800	41%
<b>Total</b>		<b>136 003</b>	<b>R 12 177 609 471</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 first quarter of the 2025/26 financial year. The total number of invoices paid after 30 days by provincial departments amounted to 136,003 invoices with a rand value of R 12.2 billion.

Kwazulu-Natal provincial treasury reported the highest number of invoices paid after 30 days during the first quarter, amounting to 56,021 invoices or 41% of the total number of invoices paid after 30 days to a rand value of R 3.4 billion. However, Gauteng provincial treasury reported the highest rand value of invoices paid after 30 days, which amounted to R 3.5 billion, with 21,228 invoices or 16% of the total number of invoices paid after 30 days.

Eastern Cape provincial treasury reported 27,652 invoices, or 20% of the total number of invoices paid after 30 days. North-West provincial treasury reported 24,157 invoices, or 18% of the total number of invoices paid after 30 days.

Limpopo provincial treasury reported the lowest number of invoices paid after 30 days during the first quarter of the 2025/26 financial year, which amounted to 130 invoices to the rand value of R61 million. However, Mpumalanga provincial treasury reported the lowest rand value of invoices paid after 30 days, which amounted to R22 million, with 170 invoices, and Western Cape provincial treasury reported 1,363 invoices paid after 30 days with a rand value of R170 million.

#### 5.4 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 first 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 1 – 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>	<b>% of rand value</b>
1	Limpopo	-	R -	0%	0%
2	Western Cape	12	R 146 893	0%	0%
3	Mpumalanga	834	R 20 238 906	1%	0%
4	Northern Cape	3 802	R 840 960 866	5%	7%
5	Free State	4 084	R 820 229 997	5%	7%
6	KwaZulu-Natal	11 918	R 1 430 276 789	15%	13%
7	Gauteng	12 155	R 2 679 059 968	15%	24%
8	North West	14 920	R 1 483 369 328	19%	13%
9	Eastern Cape	32 574	R 4 165 124 172	40%	36%
<b>Total</b>		<b>80 299</b>	<b>R 11 439 406 919</b>	<b>100%</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 June 2025. The total number of invoices older than 30 days and not paid by provincial departments at the end of June 2025 amounted to 80,299 invoices with a rand value of R11.4 billion.

Eastern Cape provincial treasury reported the highest number and rand value of invoices older than 30 days and not paid at the end of June 2025, which amounted to 32,574 invoices or 41% of the total number of unpaid invoices reported by provincial departments to a rand value of R4.2 billion.

North West provincial treasury reported 14,920 invoices, or 19% of the total number of unpaid invoices, with a rand value of R1.5 billion. Gauteng provincial treasury reported 12,155 invoices, or 15% of the total number of unpaid invoices, with a rand value of R2.7 billion. KwaZulu-Natal provincial treasury reported 11,918 invoices, or 15% of the total number of unpaid invoices, with a rand value of R1.4 billion.

Limpopo provincial treasury reported no invoices older than 30 days and not paid at the end of June 2025. Western Cape provincial treasury reported the lowest number and rand value of invoices older than 30 days and not paid, which amounted to 12 invoices to the rand value of R 146,893.

## **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 first 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) High Accruals from previous financial years;
- e) Disputed invoices with suppliers;
- f) Outstanding source documents;
- g) Unresolved SCM-related challenges;
- h) Internal control deficiencies;
- i) Inadequate internal capacity;
- j) Late processing and authorisation of invoices; and
- k) 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 first quarter of the 2025/26 financial year:

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

<b>Government institutions</b> <b>Number of queries received regarding non-payment of invoices</b> <b>Quarter 1 – 2025/26 financial year</b>				
<b>Institution</b>	<b>Number of queries</b>		<b>Rand value</b>	<b>%</b>
National institutions	39	R	36 337 664	35%
Provincial institutions	55	R	97 268 848	49%
Municipalities	18	R	11 134 204	16%
<b>Total</b>	<b>112</b>	<b>R</b>	<b>144 740 716</b>	

The total number of queries on non-payment of invoices received from suppliers during the first quarter of the 2025/26 financial year amounted to 112 queries with a rand value of R144 million. Most of these queries (49%) related to provincial institutions and national institutions were responsible for 35% 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 39 queries with a rand value of R36 million, and these queries were escalated to the relevant institution in the office of the Chief Financial Officer (CFO) for further investigations and resolutions.

The total number of queries received from suppliers for non-payment of invoices by provincial departments and entities amounted to 55 queries with a rand value of R97 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 18 queries with a rand value of R11 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 first quarter of the 2025/26 financial year reveals persistent challenges in the timely payment of supplier invoices. A total of 172,387 invoices were paid after 30 days, amounting to R14.7 billion, while 81,736 invoices remained unpaid beyond 30 days, with a value of R11.7 billion.

Provincial departments were responsible for 79% of late payments and 98% of unpaid invoices, highlighting the urgent need for targeted interventions at the provincial level. In contrast, national departments accounted for 21% of late payments and only 2% of unpaid invoices.

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

The provincial departments that contributed the most number of invoices paid late or not paid during the first quarter of the 2025/26 financial year are from Eastern Cape, KwaZulu-Natal, Gauteng, Free State, and Northern Cape.

KwaZulu-Natal provincial departments reported the highest number of invoices paid after 30 days during the first quarter of the 2025/26 financial year, whilst Gauteng provincial departments reported the highest rand value of invoices paid after 30 days during the same period. The Eastern Cape provincial departments reported the highest number and rand value of invoices older than 30 days and not paid at the end of June 2025.

The total number of queries received from suppliers during the first quarter of the 2025/26 financial year amounted to 112 queries with a rand value of R145 million. Through the intervention of the Office of the Accountant-General (OAG), queries to the rand value of R 2 815 421 were confirmed to be resolved, and payments were made to small and medium enterprises during the first 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 first 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); high accruals from previous financial years; 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 first 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.

### **Acknowledgement of Departmental Cooperation during the SCOA Version 6 and BAS Transition and Progress on Invoice Payments**

The Office of the Accountant General (OAG) acknowledges and appreciates the continued cooperation of national and provincial departments throughout the transition to SCOA Version 6. The BAS Support team remained committed to resolving outstanding issues timeously, ensuring minimal disruption to financial operations. Despite the challenges encountered during the transition, the support teams played a pivotal role in assisting departments to process payments efficiently and within the prescribed timeframes.

At the end of the first quarter of the 2025/26 financial year, the number of invoices older than 30 days and not yet paid by national and provincial departments stood at **81,736 invoices**, with a total rand value of **R11.7 billion**. This reflects a **43% improvement**, or **60,857 fewer invoices**,

compared to the **142,593 invoices** reported at the end of the fourth quarter of the 2024/25 financial year.

Encouragingly, the total rand value of invoices older than 30 days and not paid by the end of the first quarter of 2025/26 showed a **36% improvement**, decreasing by **R6.5 billion** from **R18.2 billion** in the fourth quarter of 2024/25 to **R11.7 billion**.

These figures highlight both the progress made and improvement in payment of invoices in the first quarter of the 2025/26 financial year and reduction in the value of invoices older than 30 days and not paid during the last quarter of the 2024/25 financial year. The Office of the Accountant-General remains committed to working closely with departments to sustain improvements and address any remaining challenges.



**2025/26**  
**Non-Compliance With**  
**Payments Of Supplier's**  
**Invoices Within 30 Days**  
**1st Quarter Report**

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