



2024 ANNUAL REPORT ON **LATE PAYMENT** OF SUPPLIER'S **INVOICES**

for 2023/24



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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1. Executive Summary

The National Treasury provides reports to relevant stakeholders on the status of non-compliance with Treasury Regulation 8.2.3 and continues to monitor the level of compliance with the requirement to pay supplier's invoices within the prescribed period in terms of section 38(1)(f) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).

Treasury Instruction Number 34 issued in 2011, requires national and provincial departments to submit 30 days exception reports to the relevant treasuries by the 7th day of each month, with details of the number and value of invoices paid after 30 days from the date of receiving invoices, the number and value of invoices that are older than 30 days which remained unpaid, and the reasons for the late and/or non-payment of these invoices.

The late and/or non-payment of supplier's invoices impacts negatively on among others, the socio-economic challenges that our country faces such as high unemployment rate, inequality, and poverty, the financial health of suppliers, the ability of suppliers to pay salaries and meet their contractual obligations and many other challenges.

To ensure that suppliers' operations continue without strain and financial difficulties, government institutions are urged to pay their suppliers on time and not contribute to the dire effects of the COVID-19 Pandemic that has already put a strain on the financial sustainability of SMMEs.

Summary of national and provincial departments analysis

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 2023/2024 financial year				
	Invoices paid after 30 days		Invoices older than 30 days not paid	
	Number of Invoices	Rand value of Invoices	Number of Invoices (March 2023)	Rand value of Invoices (March 2023)
National Departments	108 917	R 4 553 158 039	1 427	R 52 840 277
Provincial Departments	253 151	R 30 514 058 833	113 481	R 10 611 800 305
Total	362 068	R 35 067 216 873	114 908	R 10 664 640 583

Table 1 above illustrates a summary of the number and rand value of invoices not paid within 30 days by national and provincial departments in the 2023/2024 financial year. The number of invoices paid after 30 days by national and provincial departments amounted to 362 068 invoices with a rand value of R35.1 billion. The number of invoices older than 30 days and not paid by national and provincial

departments as at the end of March 2024 amounted to 114 908 invoices with a rand value of R10.7 billion.

National Departments

All national departments submitted the 30 days exception reports for the 2023/2024 financial year as required by the National Treasury Instruction No.34 except for the departments of Public Works and Infrastructure (Trading Account) and Employment and Labour which did not submit their reports for April 2023 and March 2024 respectively, which resulted in national departments achieving submission rates of 98% in April 2023 and March 2024. National departments achieved an average timeous submission rate of 87% for the 2023/24 financial year.

The analysis indicates that national departments are responsible for 30% of invoices paid after 30 days and they are also responsible for 1% of invoices older than 30 days and not paid at the end of March 2024. The number of invoices paid after 30 days by national departments in the 2023/24 financial year amounted to 108 917 invoices to the rand value of R4.6 billion which represents an improvement of 2 365 invoices or 2% when compared to the number of invoices paid after 30 days by national departments in the 2022/23 financial year, which amounted to 111 282 invoices to the rand value of R4.1 billion.

The number of invoices older than 30 days and not paid by national departments as at the end of March 2024 amounted to 1 427 invoices to the rand value of R53 million, representing a regression of 278 invoices or 24% when compared to the number of invoices older than 30 days and not paid by national departments as at the end of March 2023 which amounted to 1 149 invoices to the rand value of R66 million.

Provincial Departments

All provincial treasuries submitted their monthly consolidated exception reports on behalf of their respective provincial departments in the 2023/24 financial year with an annual average timeous submission rate of 81%, representing a 2% when compared with the average timeous submission rate of 83% achieved by provincial treasuries in the 2022/23 financial year. The provincial treasuries achieved an average timeous submission rate of 81% for the 2023/24 financial year.

The analysis indicates that provincial departments are responsible for 70% of invoices paid after 30 days and are also responsible for 99% of invoices older than 30 days and not paid as at the end of March 2024. The number of invoices paid after 30 days by provincial departments in the 2023/24 financial year amounted to 253 151 invoices to the rand value of R30.5 billion, representing a **regression** of 21 371 invoices or 9% when compared to the number of invoices paid after 30 days by provincial departments in the 2022/23 financial year which amounted to 231 780 invoices to the rand value of R29.3 billion.

The number of invoices older than 30 days and not paid by provincial departments as at the end of March 2024 amounted to 113 481 invoices to the rand value of R10.6 billion, representing a regression

of 39 507 invoices or 53% when compared to the number of invoices older than 30 days and not paid by provincial departments as at the end of March 2023, which amounted to 73 974 invoices to the rand value of R6.8 billion.

The total number of non-payment queries received from SMMEs through the central email address (30daysqueries@treasury.gov.za) in the 2023/24 financial year amounted to 245 to the value of R198 million. Of the 245 queries received, 48% of the queries to the value of R95 million were resolved by National Treasury. Fifty-two (52%) of the queries to the value R103 million were escalated to provincial treasuries as queries were related to provincial institutions.

Majority of non-payment queries received in the 2023/24 financial year were related to provincial departments of Health, with the Gauteng Department of Health receiving the highest number complaints.

2. Purpose

The purpose of this Annual Report is to provide the relevant stakeholders¹ with the level of compliance by national and provincial departments with the legislative requirements to pay supplier's invoices within 30 days and to provide a trends analysis of the late payments made to suppliers in the 2023/2024 financial year when comparing such to the analysis of the previous financial year.

The Annual Report also provides common reasons recorded by national and provincial departments for late and/or non-payment of invoices and to highlight the continuous efforts taken by the National Treasury to assist institutions in improving compliance with the requirements to pay invoices within 30 days as prescribed.

3. National Departments Analysis

3.1 Submission of the 30 days exception reports

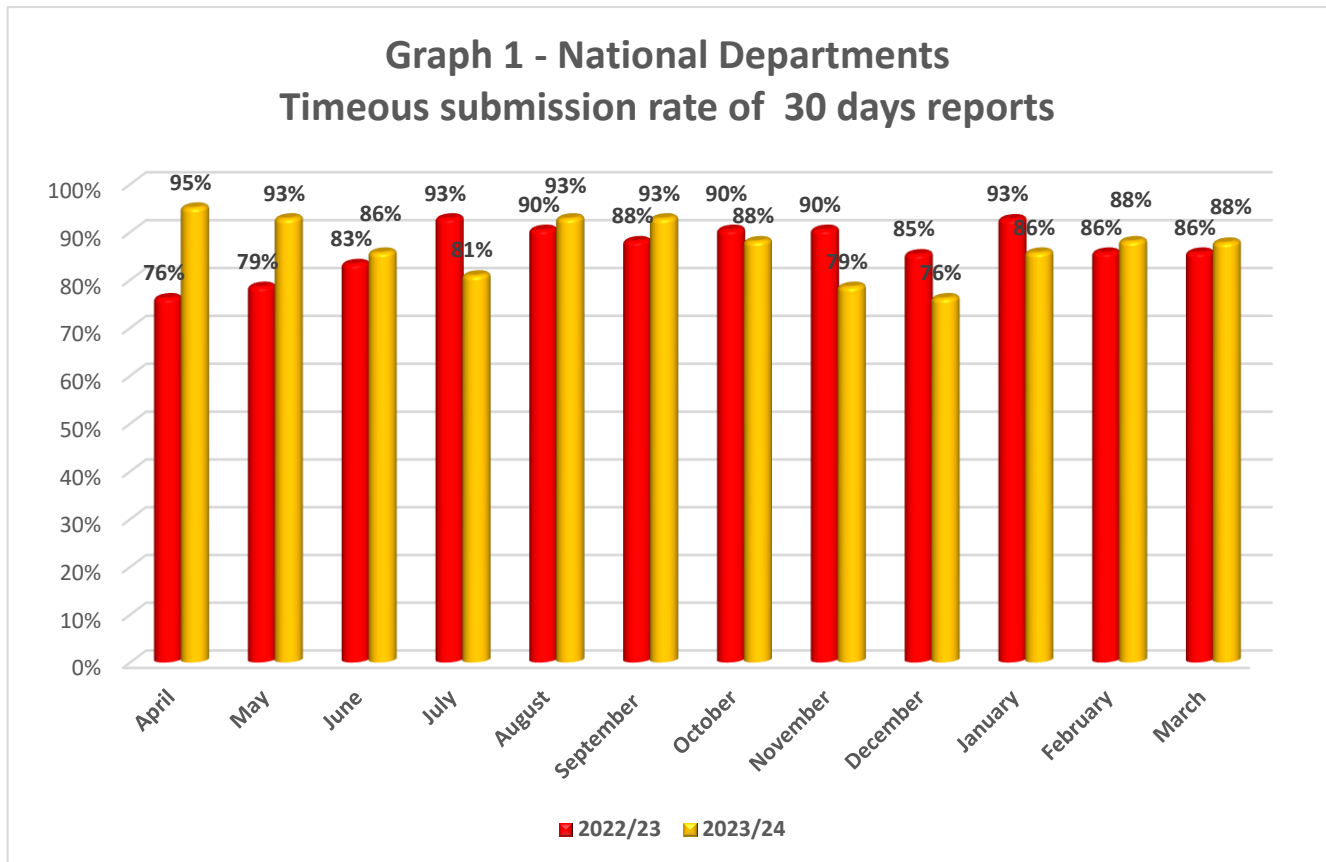
National Treasury Instruction No. 34 requires national departments to submit 30 days exception reports to the National Treasury by the 7th day of each month with information in respect of the preceding month. This consolidated Annual Report is developed based on the information provided by national departments during the 2023/24 financial year.

During the 2023/24 financial year, forty-two (42) national departments were required to submit the 30 days exception reports. Forty (40) national departments submitted all the required reports to National Treasury with the Department of Public Works and Infrastructure Trading Account and the Department of Employment and Labour failing to submit reports for April 2023 and March 2024 respectively.

The annual average timeous submission rate of 87% was achieved by national departments in the 2023/2024 financial year, which is the same annual average timeous submission rate achieved in the 2022/2023 financial year.

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

Graph 1 below provides a month-to-month comparative analysis of the **timeous submission rate of exception reports** by national departments for the 2022/2023 and 2023/2024 financial years.



Graph 1 above indicates the month-to-month timeous submission rates of exception reports achieved by national departments in the 2023/24 financial year. National departments achieved an annual average timeous submission rate of 87% in the 2023/24 financial year, which is the same annual average timeous submission rate achieved in the 2022/2023 financial year.

The graph further indicates that during the beginning of the 2023/24 financial year, national departments achieved an average timeous submission rate of 95% in April 2023, which is the highest average timeous submission rate achieved by national departments in the 2023/24 financial year.

National departments achieved the lowest average timeous submission rate of 76% in December 2023, which is the lowest average timeous submission rate achieved by national departments in the 2023/24 financial year, which could be attributed to administrative challenges as most employees are on leave during January when the reports for December are submitted, as well as financial system downtime.

National departments are encouraged to improve their internal control processes to ensure that the 30 days monthly exception reports are submitted to National Treasury timeously by the 7th of each month as required by National Treasury Instruction 34 of 2011.

Table 2 below provides a list of national departments that achieved a 100% compliance rate on the submission of the 30 days exception reports during the 2023/24 financial year.

Table 2 – Departments that submitted all their exception reports timeously

National Departments					
Table 2: Departments that submitted exception reports timeously in the 2023/2024 financial year					
	Department	Exception Reports Submitted		Exception Reports Submitted Timeously	
		Number	%	Number	%
1	Communications and Digital Technologies	12	100%	12	100%
2	Cooperative Governance	12	100%	12	100%
3	Correctional Services	12	100%	12	100%
4	Forestry, Fisheries and Environment	12	100%	12	100%
5	Government Communication and Information Systems	12	100%	12	100%
6	Higher Education and Training	12	100%	12	100%
7	Home Affairs	12	100%	12	100%
8	Human Settlements	12	100%	12	100%
9	Independent Police Investigative Directorate	12	100%	12	100%
10	Justice and Constitutional Development	12	100%	12	100%
11	Mineral Resources and Energy	12	100%	12	100%
12	National School of Government	12	100%	12	100%
13	National Treasury	12	100%	12	100%
14	Planning, Monitoring, and Evaluation	12	100%	12	100%
15	Police	12	100%	12	100%
16	Public Enterprises	12	100%	12	100%
17	Public Service and Administration	12	100%	12	100%
18	Public Service Commission	12	100%	12	100%
19	Public Works and Infrastructure (Main Account)	12	100%	12	100%
20	Science and Innovation	12	100%	12	100%
21	Small Business Development	12	100%	12	100%
22	Sports, Arts and Culture	12	100%	12	100%
23	Statistics South Africa	12	100%	12	100%
24	Tourism	12	100%	12	100%
25	Traditional Affairs	12	100%	12	100%

Table 2 above indicates that twenty-five (25) or 60% of national departments submitted all their monthly exception reports timeously to National Treasury as required, in the 2023/24 financial year. This reflects an **improvement** of 5% in the timeous submission rate of exception reports by national departments when comparing the number of national departments that submitted all their monthly exception reports

timeously in the 2022/23 financial year where only twenty-three (23) or 55% of national departments submitted their reports timeously.

Table 3 below provides a list of national departments that submitted all their exception reports, however, did not achieve a 100% timeous submission rate.

Table 3 – Departments that did not achieve a 100% compliance submission rate

National Departments					
Table 3: Departments that did not achieve a 100% compliance submission rate					
2023/2024 financial year					
	Department	Exception Reports Submitted		Exception Reports Submitted Timeously	
		Number	Annual %	Number	Annual %
1	Basic Education	12	100%	11	92%
2	Defence	12	100%	11	92%
3	Military Veterans	12	100%	11	92%
4	Office of the Chief Justice	12	100%	11	92%
5	Water and Sanitation (Trading Account)	12	100%	11	92%
6	Trade, Industry, and Competition	12	100%	11	92%
7	Presidency	12	100%	10	83%
8	Social Development	12	100%	10	83%
9	Water and Sanitation (Main Account)	12	100%	9	75%
10	Women, Youth, and Persons with Disabilities	12	100%	9	75%
11	International Relations and Cooperation	12	100%	8	67%
12	Agriculture, Land Reform and Rural Development	12	100%	4	33%
13	Health	12	100%	4	33%
14	Civilian Secretariat for the Police Service	12	100%	3	25%
15	Transport	12	100%	3	25%

Table 3 above indicates that fifteen (15) or 36% of national departments did not submit all their monthly exception reports timeously to National Treasury in the 2023/24 financial year. The number of national departments that did not submit all their monthly exception reports to National Treasury timeously in the 2022/23 financial year amounted to sixteen (16) or 38%. This represents a regression of 2%.

Some of these departments were classified in the same category in the 2022/23 Annual Report. This shows a lack and/ or little improvement. The departments of Civilian Secretariat for the Police Service and Transport managed to submit only three (3) monthly exception reports on time, the rest of the nine (9) monthly reports were submitted late to National Treasury during the 2023/24 financial year.

The departments of Agriculture, Land Reform and Rural Development, and Health managed to submit only four (4) monthly exception reports on time, and the rest of the eight (8) monthly reports were submitted late during the 2023/24 financial year.

Table 4 below provides a list of national departments that did not submit all monthly exception reports to National Treasury during the 2023/24 financial year.

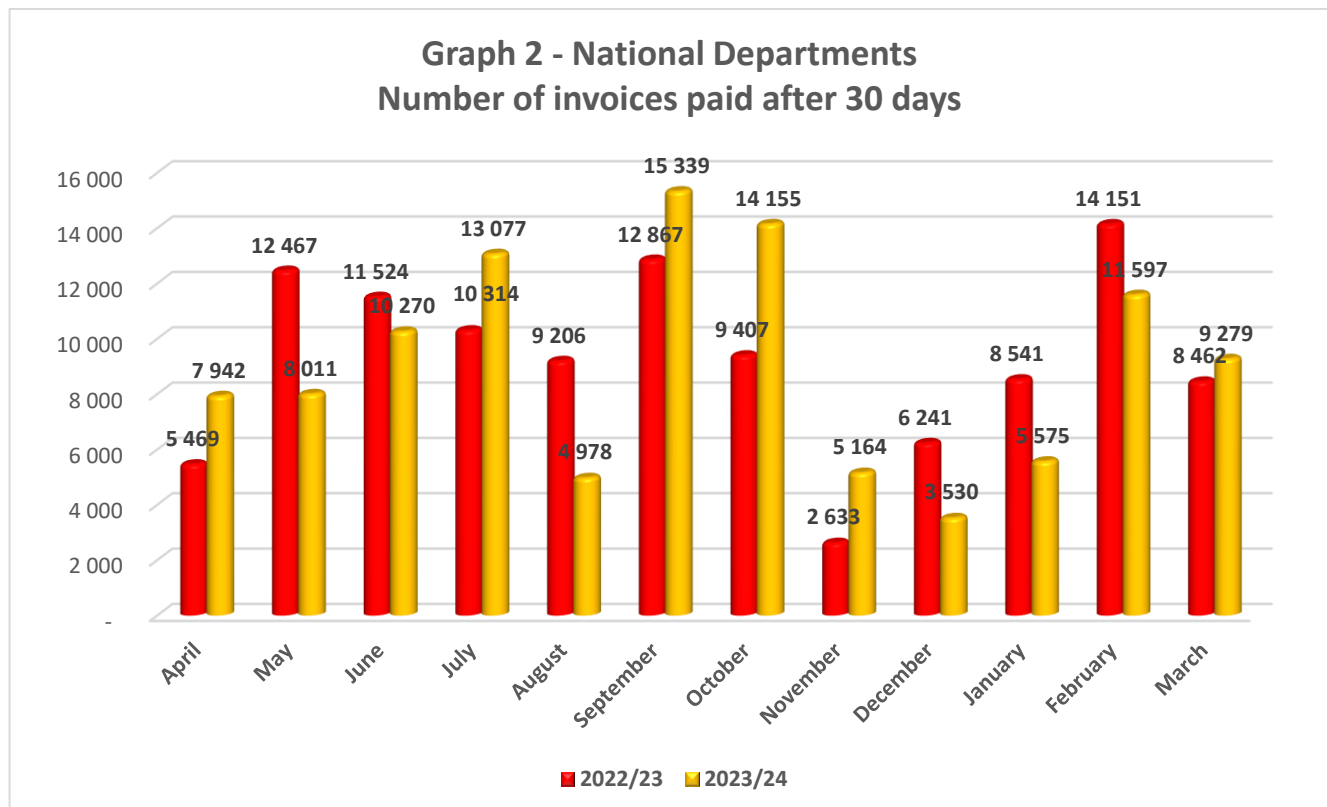
Table 4 – Departments with outstanding exception reports

National Departments				
Table 4: Departments that did not submit all their exception reports				
2023/2024 financial year				
	Department	Exception Reports Submitted		Outstanding reports
		Number	Annual %	Months
1	Public Works and Infrastructure (Trading Account)	11	92%	April 2023
2	Employment and Labour	11	92%	March 2024

Table 4 above provides a list of national departments that did not submit all monthly exception reports to National Treasury during the 2023/24 financial year. The departments of Public Works and Infrastructure (Trading Account) and Employment and Labour did not submit all their monthly exception reports to National Treasury as required, as they failed to submit their monthly exception reports for April 2023 and March 2024 respectively.

3.2 Number of invoices paid after 30 days

Graph 2 below provides a month-to-month comparative **number of invoices paid after 30 days** by national departments in the 2023/24 financial year when compared to the 2022/23 financial year.



Graph 2 above illustrates the number of invoices paid after 30 days by national departments in the 2023/24 financial year when compared with the 2022/23 financial year. The number of invoices paid after 30 days by national departments in the 2023/24 financial year amounted to 108 917 invoices, representing **an improvement** of 2 365 invoices or 2% when compared to the number of invoices paid after 30 days by national departments in the 2022/23 financial year, which amounted to 111 282 invoices.

Table 5 below provides a list of national departments that reported invoices paid after 30 days to National Treasury during the 2023/24 financial year.

National departments				
Table 5: Departments that reported invoices paid after 30 days				
2023/24 financial year				
	Department	Invoices paid after 30 days	Rand Value	% of Number of Invoices
1	Defence	84 934	R 1 406 646 173	78%
2	Public Works and Infrastructure (Trading Account)	5 094	R 480 326 377	5%
3	Military Veterans	4 738	R 15 206 666	4%
4	Correctional Services	3 266	R 460 912 799	3%
5	Water and Sanitation (Trading Account)	2 465	R 9 165 088	2%
6	Police	2 442	R 311 915 957	2%
7	Transport	1 276	R 7 780 127	1%
8	Agriculture, Land Reform and Rural Development	1 164	R 1 371 993 684	1%
9	Justice and Constitutional Development	536	R 66 368 609	0%
10	Health	516	R 61 955 963	0%
11	Basic Education	514	R 78 511 459	0%
12	Home Affairs	498	R 73 176 200	0%
13	Water and Sanitation (Main Account)	392	R 5 178 154	0%
14	Office of the Chief Justice	311	R 15 721 320	0%
15	Government Communication and Information Systems	194	R 15 914 833	0%
16	Public Works and Infrastructure (Main Account)	184	R 1 048 314	0%
17	Tourism	102	R 955 871	0%
18	International Relations and Cooperation	101	R 32 404 042	0%
19	Social Development	48	R 3 583 999	0%
20	National Treasury	46	R 19 470 862	0%
21	Public Enterprises	29	R 730 090	0%
22	Independent Police Investigative Directorate	15	R 207 372	0%
23	The Presidency	14	R 2 476 653	0%
24	Civilian Secretariat for the Police Service	12	R 161 908	0%
25	Employment and Labour	12	R 97 002 478	0%
26	Forestry, Fisheries and Environment	5	R 1 086 957	0%
27	Science and Innovation	4	R 6 259 544	0%
28	Cooperative Governance	2	R 384 512	0%
29	Human Settlements	1	R 3 128 510	0%
30	Mineral Resources and Energy	1	R 394 645	0%
31	Statistics South Africa	1	R 7 508	0%
	Total	108 917	R 4 550 076 673	100%

Table 5 above provides a list of national departments that reported invoices paid after 30 days to National Treasury during the 2023/24 financial year.

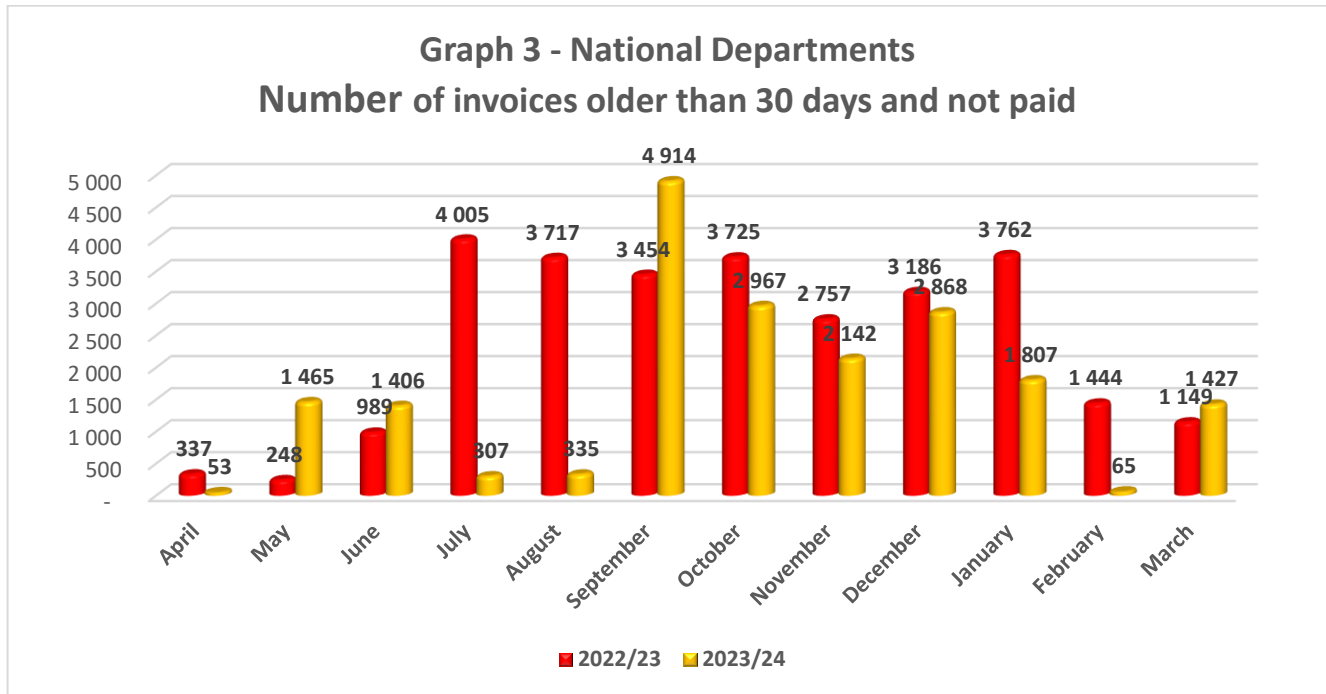
Thirty-one (31) national departments reported to National Treasury that 108 917 invoices were paid after 30 days during the 2023/24 financial year to the rand value of R4.6 billion. The Department of Defence reported the highest number of invoices paid after 30 days which amounted to 84 934 invoices or 78% of the total invoices paid after 30 days by national departments in the 2023/24 financial year. The departments of Public Works and Infrastructure (Trading Account) reported the second highest invoices paid after 30 days by national departments which amounted to 5 094 invoices or 5% of the total invoices paid after 30 days.

According to information submitted to National Treasury during the 2023/24 financial year, the following eleven (11) national departments paid all their invoices within 30 days as per legislative requirements and did not record any invoice paid after 30 days nor any outstanding invoices during the period under review:

- Planning, Monitoring and Evaluation;
- Public Service and Administration;
- Women, Youth and Persons with Disabilities;
- Traditional Affairs;
- Communications and Digital Technologies;
- Small Business Development;
- Public Service Commission;
- Sports, Arts and Culture;
- National School of Government;
- Higher Education and Training; and
- Trade, Industry and Competition.

3.3 Number of invoices older than 30 days and not paid

Graph 3 below provides a month-to-month comparative number of invoices older than 30 days and not paid in the 2023/24 financial year when compared to the 2022/23 financial year.



Graph 3 above illustrates the number of invoices older than 30 days and not paid by national departments in the 2023/24 financial year when compared with the 2022/23 financial year.

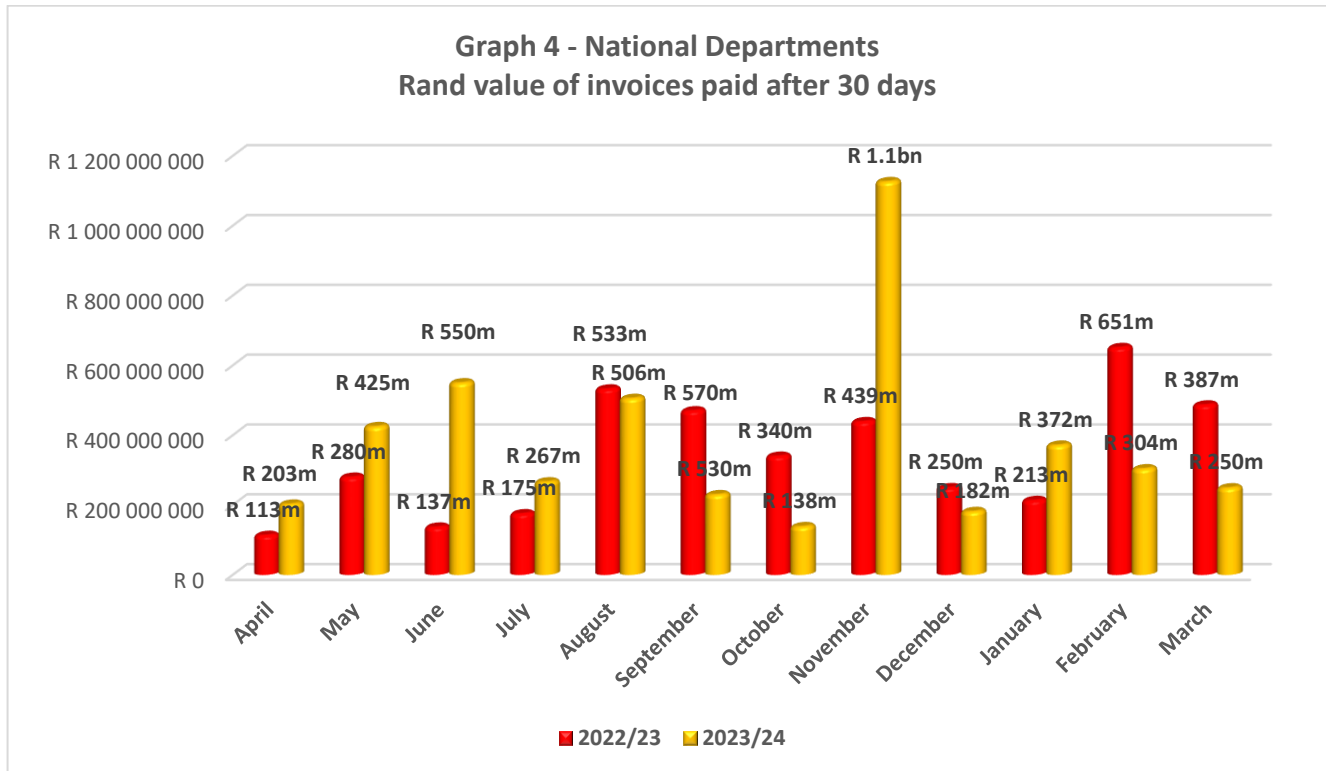
The total number of invoices older than 30 days and not paid by national departments as at the end of the 2023/24 financial year, amounted to 1 427 invoices, representing a **regression** of 278 invoices or 24% when compared to the total number of invoices older than 30 days and not paid as at the end of 2022/23 financial year which amounted to 1 149 invoices.

Table 6 below provides a list of national departments that reported unpaid invoices to National Treasury as at the end of the 2023/24 financial year.

National departments				
Table 6: Departments that reported unpaid invoices at the end of the 2023/2024 financial year				
	Department	Unpaid Invoices	Rand Value	% of Unpaid Invoices
1	Justice and Constitutional Development	1375	R 42 666 698	96%
2	Public Works and Infrastructure (Trading Account)	39	R 10 066 089	3%
3	Water and Sanitation (Trading Account)	7	R 24 174	1%
4	Tourism	3	R 9 700	0%
5	International Relations and Cooperation	2	R 57 500	0%
6	Social Development	1	R 16 116	0%
	Total	1 427	R 52 840 277	100%

3.4 Rand value of invoices paid after 30 days

Graph 4 below provides a month-to-month comparative rand value of invoices paid after 30 days in the 2023/2024 financial year when compared to the 2022/23 financial year.



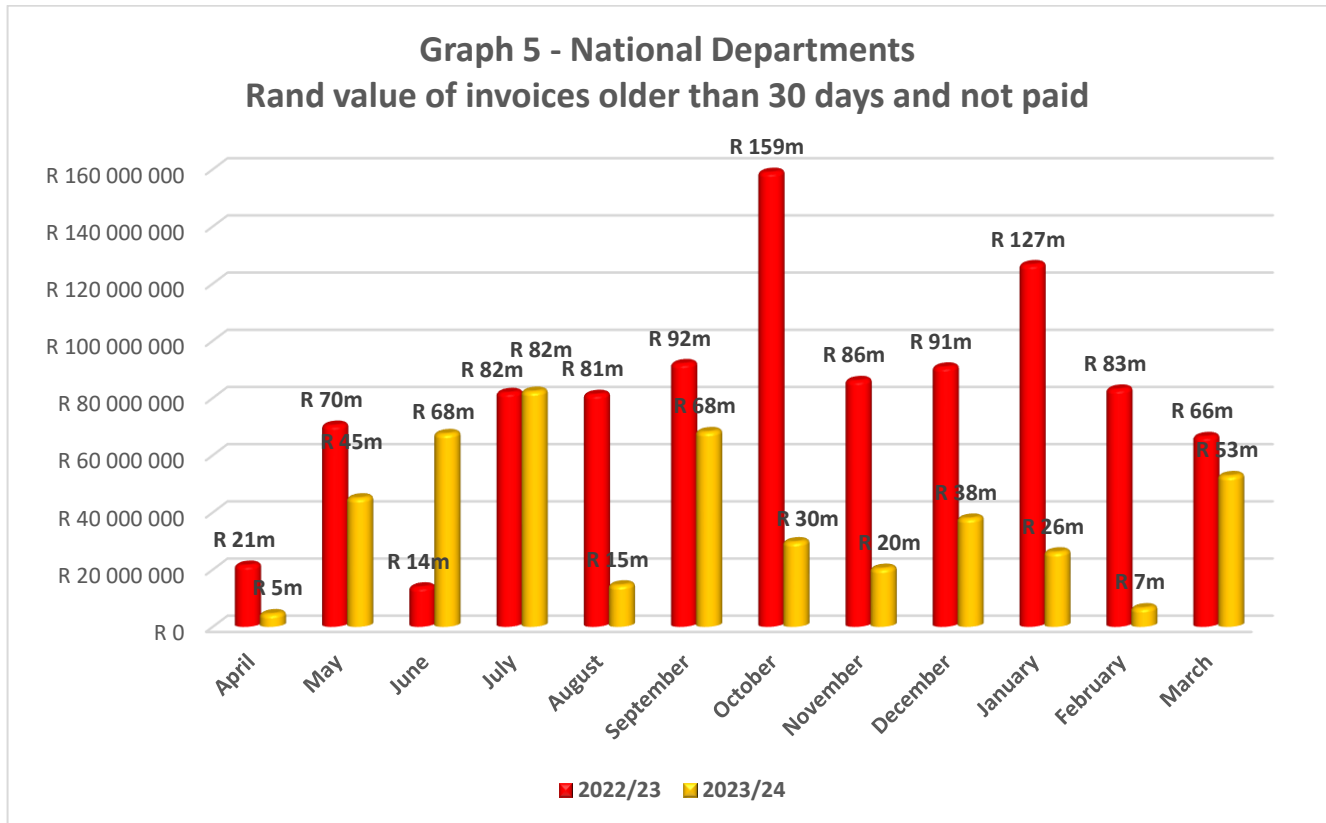
Graph 4 above illustrates the rand values of invoices paid after 30 days by national departments in the 2023/24 financial year when compared to the 2022/23 financial year.

The total rand value of invoices paid after 30 days by national departments in the 2023/24 financial year amounted to R4.6 billion, representing **a regression** of R463 million or 11% when compared to the total rand value of invoices paid after 30 days by national departments in the 2022/23 financial year, which amounted to R4.1 billion.

The annual average rand value of invoices paid after 30 days by national departments in the 2023/24 financial year amounted to R380 million, representing **a regression** of R39 million or 11% when compared to the annual average rand value of invoices paid after 30 days in the 2022/23 financial year which amounted to R341 million.

3.5 Rand value of invoices older than 30 days and not paid

Graph 5 below provides a month-to-month comparative **rand value of invoices older than 30 days and not paid** for the 2023/24 financial year when compared to the 2022/23 financial year.



Graph 5 above illustrates the rand values of invoices older than 30 days and not paid by national departments for the 2023/24 financial year when compared to the 2022/23 financial year.

The rand value of invoices not paid at the end of the 2023/24 financial year amounted to R53 million, representing **an improvement** of R14 million or 21% when compared to the total rand value of invoices older than 30 days and not paid by national departments at the end of the 2022/23 financial year which amounted to R66 million.

The enclosed **Annexure A** provides consolidated information and the performance on the number and rand value of invoices paid after 30 days, and the number and rand value of invoices older than 30 days and not paid by national departments during the 2023/24 financial year when compared to the 2022/23 financial year.

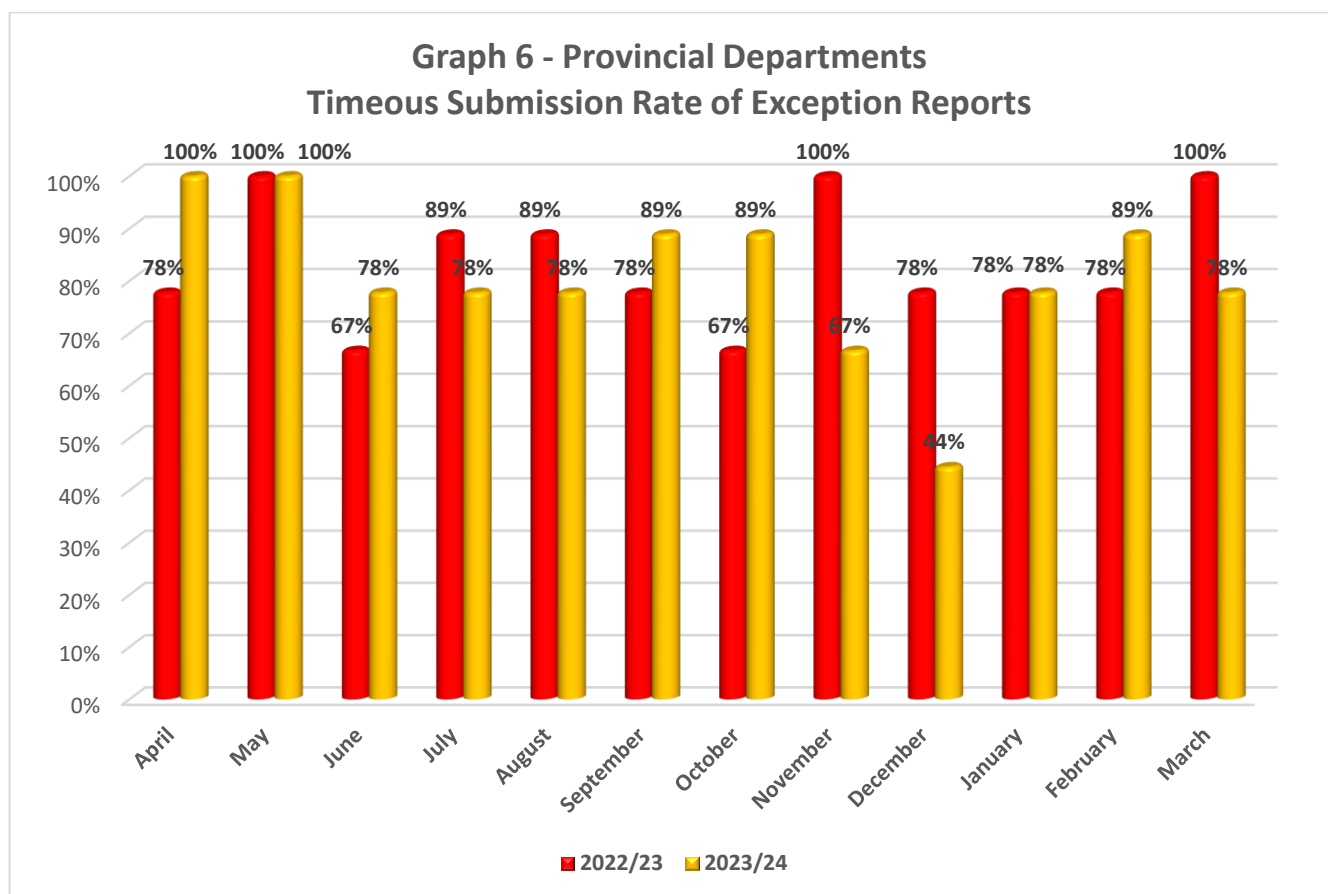
4. Provincial Departments Analysis

4.1 Submission of the 30 days exception reports

This Annual Report is developed based on the consolidated information submitted by provincial treasuries on behalf of their respective provincial departments during the 2023/24 financial year. Provincial treasuries are required by National Treasury Instruction No.34, to submit consolidated exception reports of their respective provincial departments to National Treasury by the 15th day of each month with information in respect of the preceding month.

During the 2023/24 financial year, all provincial treasuries submitted their consolidated 30 days exception reports on behalf of their respective provincial departments to National Treasury as required by legislation. Provincial treasuries achieved an annual average timeous submission rate of 81% in the 2023/24 financial year.

Graph 6 below provides a month-to-month comparative analysis of **the timeous submission rate of exception reports** by provincial treasuries to National Treasury for the 2023/24 financial year when compared with the 2022/23 financial year.



Graph 6 above illustrates that provincial treasuries achieved an annual average timeous submission rate of 81% during the 2023/2024 financial year, which indicates a **regression** of 2% when compared with an annual average timeous submission rate of 83% which was achieved in the 2022/23 financial year.

Table 7 below provides information related to the performance of provincial treasuries on the submission of consolidated 30 days exception reports to National Treasury during the 2023/24 financial year.

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

Provincial Departments Table 7: Performance on the submission of exception reports 2023/2024 Financial Year					
	Province	Exception Reports Submitted		Exception Reports Submitted Timeously	
		Number	%	Number	%
1	Free State	12	100%	12	100%
2	Gauteng	12	100%	12	100%
3	KwaZulu-Natal	12	100%	12	100%
4	North West	12	100%	11	92%
5	Northern Cape	12	100%	11	92%
6	Western Cape	12	100%	11	92%
7	Eastern Cape	12	100%	8	67%
8	Limpopo	12	100%	6	50%
9	Mpumalanga	12	100%	5	42%

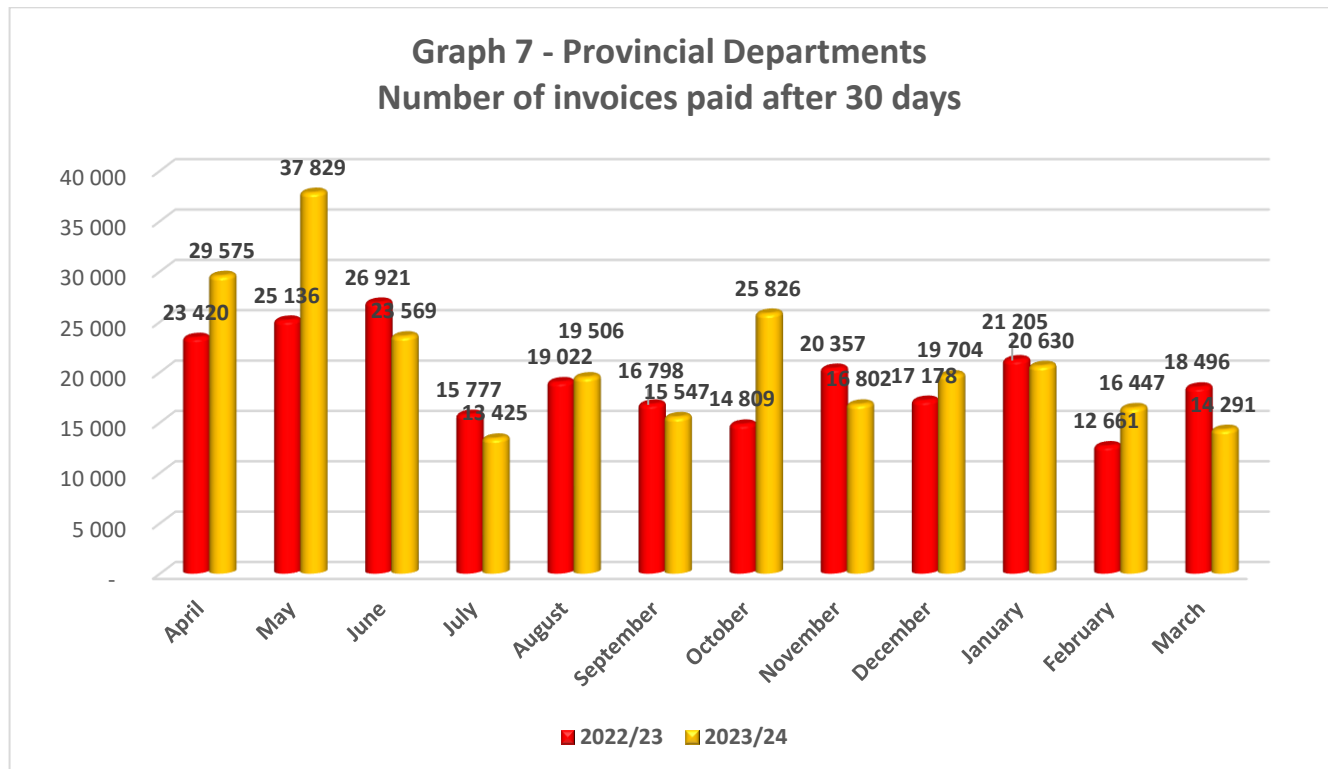
Table 7 above illustrates that all provincial treasuries submitted their consolidated exception reports to National Treasury on behalf of their respective provincial departments during the 2023/24 financial year, however, only three (3) or 33% of provincial treasuries namely: Free State, Gauteng, and KwaZulu Natal submitted all their consolidated exception reports timeously as required by legislation, for the 2023/24 financial year.

The table above further indicates that the North West, Northern Cape, and Western Cape provincial treasuries submitted eleven (11) consolidated exception reports timeously, resulting in the achievement of a 92% timeous submission rate during the 2023/24 financial year.

Eastern Cape submitted eight (8) consolidated exception reports timeously resulting in the achievement of a 67% timeous submission rate during the same period. Limpopo submitted six (6) consolidated exception reports timeously, resulting in the achievement of a 50% timeous submission rate during the current financial year. Mpumalanga submitted five (5) consolidated exception reports timeously, resulting in an achievement of a 42% timeous submission rate during the 2023/24 financial year.

4.2 Number of invoices paid after 30 days

Graph 7 below provides a month-to-month comparative analysis of the **number of invoices paid after 30 days by** provincial departments during the 2023/24 financial year when compared to the 2022/23 financial year.



Graph 7 above illustrates a month-to-month comparative analysis of the **number of invoices paid after 30 days** by provincial departments during the 2023/24 financial year when compared to the number of invoices paid after 30 days, during the 2022/23 financial year.

The total number of invoices paid after 30 days by provincial departments during the 2023/24 financial year amounted to 253 151 invoices, representing **a regression** of 21 371 invoices or 9% when compared to the number of invoices paid after 30 days by the provincial departments during the 2022/2023 financial year which amounted to 231 780 invoices.

The annual average number of invoices paid after 30 days by provincial departments during the 2023/24 financial year amounted to 21 096 invoices, representing **a regression** of 1 781 invoices or 9% when compared to the annual average number of invoices paid after 30 days by provincial departments during the 2022/23 financial year, which amounted to 19 315 invoices.

The graph above further shows that the months of April 2023, May 2023 and October 2023 recorded the highest number of invoices paid after 30 days by provincial departments whilst the months of July 2023 and March 2024 recorded the lowest number of invoices paid after 30 days by provincial departments for the period in review.

Table 8 below provides information on the ranking of provinces' performance regarding the number and rand value of invoices paid after 30 days during the 2023/24 financial year.

Table 8 – Provincial performance on the number and rand value of invoices paid after 30 days

Provincial Departments Table 8: Performance on the number and rand value of invoices paid after 30 Days 2023/2024 financial year				
	Province	Number of Invoices	Rand Value	% of Invoices
1	Limpopo	1 017	R 304 551 628	0%
2	Mpumalanga	2 281	R 1 066 475 295	1%
3	Western Cape	4 125	R 399 353 125	2%
4	Northern Cape	7 550	R 860 853 845	3%
5	Free State	10 120	R 1 302 264 047	4%
6	KwaZulu-Natal	42 884	R 9 470 569 884	17%
7	Eastern Cape	49 921	R 5 773 057 063	20%
8	North West	49 922	R 3 371 891 361	20%
9	Gauteng	85 331	R 7 965 042 586	34%
Total		253 151	R 30 514 058 833	100%

Table 8 above illustrates the performance of provincial departments with respect to the number of invoices paid after 30 days during the 2023/24 financial year. The total number of invoices paid after 30 days by provincial departments in the 2023/24 financial year amounted to 253 151 invoices with a rand value of R30.5 billion.

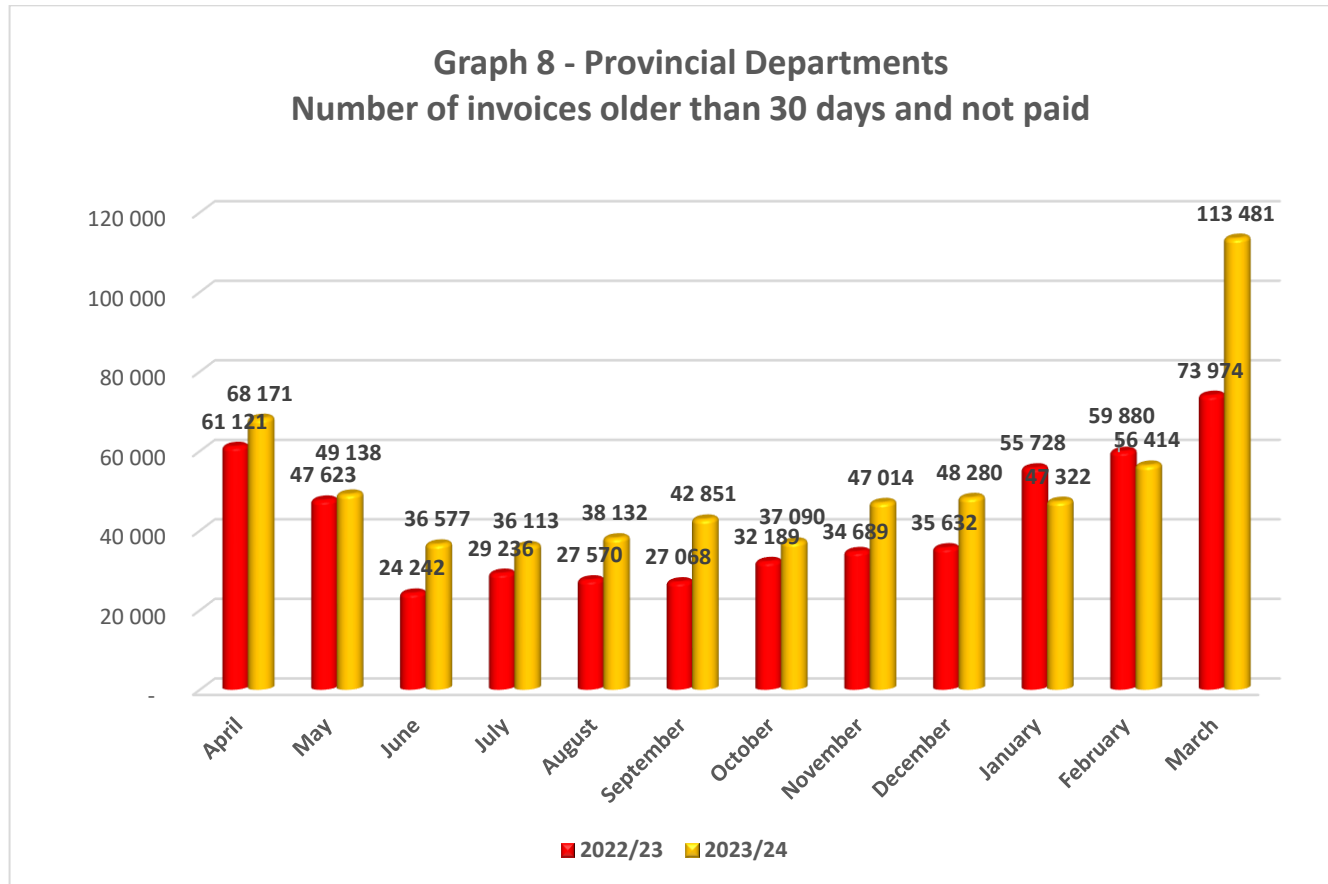
Gauteng reported the highest number of invoices paid after 30 days during the 2023/24 financial year which amounted to 85 331 or 34% of the total number of invoices paid after 30 days by provincial departments to the rand value of R8.0 billion. North West reported the second highest number of invoices paid after 30 days during the 2023/24 financial year which amounted to 49 922 or 20% of the total number of invoices paid after 30 days by provincial departments to the rand value of R3.4 billion.

Eastern Cape reported the third highest number of invoices paid after 30 days during the 2023/24 financial year which amounted to 49 921 or 20% of the total number of invoices paid after 30 days by provincial departments to the rand value of R5.8 billion.

Limpopo provincial departments reported the lowest number of invoices paid after 30 days which amounted to 1 017 invoices to the rand value of R305 million. Mpumalanga reported 2 281 invoices paid after 30 days to the rand value of R1.1 billion. Western Cape reported 4 125 invoices paid after 30 days to the rand value of R399 million.

4.3 Number of invoices older than 30 days and not paid

Graph 8 below provides a month-to-month comparative analysis of the **number of invoices older than 30 days and not paid** as at the end of the 2023/24 financial year when compared with the end of the 2022/23 financial year.



Graph 8 above illustrates a month-to-month comparative analysis of the **number of invoices older than 30 days and not paid** by provincial departments in the 2023/24 financial year when compared to the number of invoices older than 30 days and not paid in the 2022/23 financial year.

The total number of invoices older than 30 days and not paid by provincial departments at the end of the 2023/24 financial year amounted to 113 481 invoices, representing **a regression** of 39 507 invoices or 53% when compared to the total number of invoices older than 30 days and not paid by the provincial departments as at the end of the 2022/23 financial year which amounted to 73 974 invoices.

Table 9 below provides information related to the performance of provinces regarding the number and rand value of invoices older than 30 days and not paid as at the end of the 2023/24 financial year.

Table 9 – Provincial performance on the number and rand value of invoices older than 30 days and not paid

Provincial Departments				
Table 9: Performance on the number and rand value of invoices older than 30 days and not paid at the end of 2023/2024 financial year				
	Province	Number of Invoices	Rand Value	%
1	Limpopo	3	R 151 425	0%
2	Western Cape	86	R 6 213 430	0%
3	Mpumalanga	982	R 161 016 655	1%
4	KwaZulu-Natal	1 760	R 904 932 726	2%
5	Northern Cape	3 007	R 689 739 318	3%
6	Free State	3 752	R 752 996 473	3%
7	North West	11 180	R 784 478 823	10%
8	Gauteng	19 262	R 2 765 316 449	17%
9	Eastern Cape	73 449	R 4 546 955 005	65%
Total		113 481	R 10 611 800 305	100%

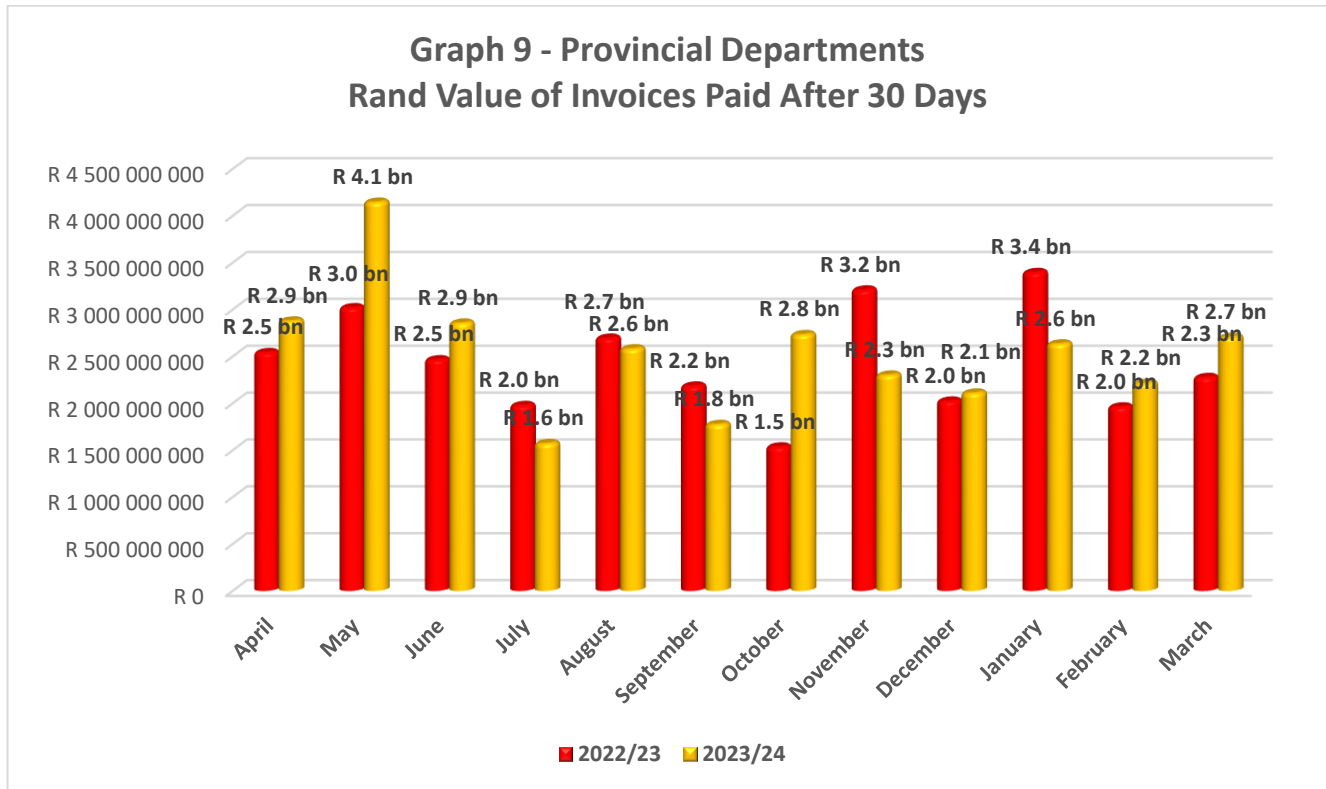
Table 9 above illustrates the performance of provincial departments on the number of invoices older than 30 days and not paid at the end of the 2023/24 financial year. The total number of invoices older than 30 days and not paid by provincial departments at the end of the 2023/24 financial year amounted to 113 481 invoices with a rand value of R10.6 billion.

Eastern Cape reported the highest number and rand value of invoices older than 30 days and not paid which amounted to 73 449 invoices or 65% of the total number of unpaid invoices by provincial departments to the rand value of R4.5 billion. Gauteng reported the second highest number and rand value of invoices older than 30 days and not paid which amounted to 19 262 invoices or 17% of the total number of unpaid invoices to the rand value of R2.8 billion. North West reported the third highest number of unpaid invoices which amounted to 11 180 invoices or 10% of the total number of unpaid invoices to the rand value of R784 million.

Limpopo provincial departments reported the lowest number of invoices older than 30 days and not paid as at the end of the 2023/24 financial year which amounted to three (3) invoices to the rand value of R151 425. Western Cape reported the second lowest number of invoices older than 30 days and not paid at the end of the 2023/24 financial year which amounted to 86 invoices to the rand value of R6 million. Mpumalanga reported 982 unpaid invoices at the end of the 2023/24 financial year to the rand value of R161 million.

4.4 Rand value of invoices paid after 30 days

Graph 9 below provides a month-to-month comparative figure of the **rand value of invoices paid after 30 days** during the 2023/24 financial year when compared with the 2022/23 financial year.



Graph 9 above illustrates a month-to-month comparative analysis of the **rand value of invoices paid after 30 days** by provincial departments during the 2023/24 financial year when compared to the rand value of invoices paid after 30 days during the 2022/23 financial year.

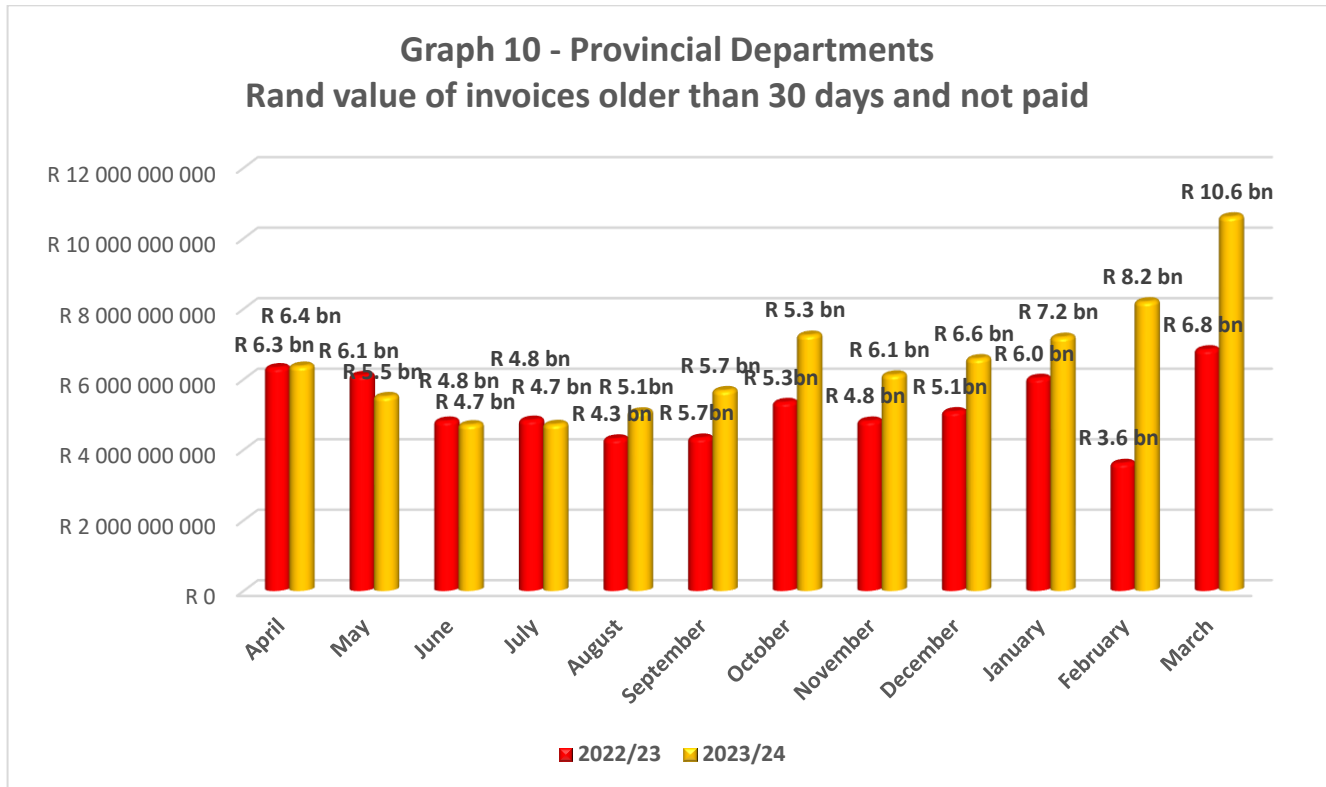
The rand value of invoices paid after 30 days by provincial departments in the 2023/24 financial year amounted to R30.5 billion, representing **a regression** of R1.2 billion or 4% when compared to the rand value of invoices paid after 30 days by provincial departments during the 2022/23 financial year, which amounted to R29.3 billion.

The annual average rand value of invoices paid after 30 days by provincial departments during the 2023/24 financial year amounted to R2.5 billion, representing **a regression** of R100 million when compared to the annual average rand value of invoices paid after 30 days by provincial departments during the 2022/23 financial year which amounted to R2.4 billion.

KwaZulu Natal reported the highest rand value of invoices paid after 30 days during the 2023/24 financial year which amounted to R9.5 billion. Gauteng reported the second highest rand value of invoices paid after 30 days which amounted to R8.0 billion. Eastern Cape reported the third highest rand value of invoices paid after 30 days which amounted to R5.8 billion. Limpopo reported R305 million which was the lowest rand value of invoices paid after 30 days during the period under review. The month of May 2023 recorded R4.1 billion which was the highest rand value of invoices paid after 30 days by provincial departments.

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

Graph 10 below provides a month-to-month comparative figure of the **rand value of invoices older than 30 days and not paid** as at the end of the 2023/24 financial year when compared with the 2022/23 financial year.



Graph 10 above illustrates a month-to-month comparative analysis of the **rand value of invoices older than 30 days and not paid** by provincial departments during the 2023/24 financial year when compared to the rand value of invoices older than 30 days and not paid during the 2022/23 financial year.

The rand value of invoices older than 30 days and not paid by provincial departments at the end of the 2023/24 financial year amounted to R10.6 billion which was the highest, representing **a regression** of R3.8 billion or 55% when compared to the rand value of invoices older than 30 days and not paid by provincial departments as at the end of the 2022/23 financial year, which amounted to R6.1 billion.

Eastern Cape reported the highest rand value of invoices older than 30 days and not paid during the 2023/24 financial year which amounted to R4.5 billion. Gauteng reported the second highest rand value of invoices older than 30 days and not paid, which amounted to R2.8 billion. Limpopo reported R151 425 which was the lowest rand value of invoices older than 30 days and not paid during the period under review.

The enclosed **Annexure B** provides consolidated information on the number and rand value of invoices paid after 30 days and the number and rand value of invoices older than 30 days and not paid by provincial departments during the 2023/24 financial year, when compared with the 2022/23 financial year.

5. Common reasons for the late and/or non-payment of invoices

Table 10 below represents common reasons provided by national and provincial departments for the late and/or non-payment of invoices during the 2023/24 financial year.

Table 10 – Common reasons provided by national and provincial departments

National and Provincial Departments Common reasons provided in the 2023/2024 Financial Year	
Reasons Provided	Root Causes Identified
Misfiled, misplaced or unrecorded invoices.	Lack of internal control measures to track invoices from receipt to a payment point. Lack of the capturing of invoices as they are received.
Inadequate budget and/or cash flow management problems.	Poor budgeting and lack of alignment between the budget and procurement plans.
Inadequate internal capacity.	Lack of human capacity within the departments.
IT system issues (BAS, Logis and SafetyWeb, etc.).	Slow systems and generation of system errors.
Standard Chart of Account (SCoA) related system problems.	Changes in the coding of items used for classification, budgeting, and recording of revenue and expenditure within the accounting system to facilitate the recording of all transactions affecting assets and liabilities.
Unresolved invoice discrepancies	Suppliers submitting incorrect and/ or invalid invoices
Incomplete supporting documents.	Incomplete invoices and lack of understanding of how invoices should be issued and required supporting documentation.

Table 10 above provides common reasons provided by national and provincial departments for the late and/or non-payment of invoices during the 2023/24 financial years with corresponding identified root causes.

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

6. National Treasury Initiatives

During the 2023/24 financial year, National Treasury continued to monitor, address, and respond to queries on non-payment of invoices received from various suppliers through a central email address (30daysqueries@treasury.gov.za), which is dedicated to receiving non-payment queries from suppliers.

National Treasury continues to assist suppliers in following up with transgressing institutions and provides feedback to suppliers with the reasons for the delay, and the date of when payment will be made. Transgressing institutions are required to provide proof of payment to ensure completeness.

All queries of non-payment of invoices related to provincial departments were escalated to the relevant Provincial Accountants-General (PAG) to elevate the matter to the respective Chief Financial Officer in provincial department.

Furthermore, non-payment queries relating to municipalities were forwarded to the Chief Directorate responsible for the monitoring of the implementation of the Municipal Finance Management Act (MFMA), for escalation to the relevant Chief Financial Officer at municipal level.

The total number of non-payment queries received from SMMEs by National Treasury in the 2023/24 financial year amounted to 245 queries to the value of R198 million. Of the 245 queries received, 127 queries or 52% to the value of R103 million were related to provincial institutions and escalated to provincial treasuries. One hundred and eighteen (118) queries or 48% to the value of R95 million were related to national departments, municipalities and national public entities thus addressed by National Treasury. Of the 118 queries handled by National Treasury, fifty-four (54) queries to the value R58 million were resolved. Information on the number and value of queries resolved at provincial level is with provincial treasuries.

It should be noted that at a provincial level, 70% of queries were related to provincial departments of Health. Gauteng department of Health received the highest number of queries in the 2023/24 financial year.

7. Conclusion

There is a slight regression in the submission of exception reports by national departments based on the analysis of the 30 days exception reports received from national departments during the 2023/24 financial year as two (2) national departments did not submit their 30 days exception reports to the National Treasury for April 2023 and March 2024 respectively. All provincial treasuries submitted the consolidated exception reports on behalf of their respective provincial departments, however, there was a 2% regression in the timeous submission of consolidated exception reports by provincial treasuries during the 2023/24 financial year.

The analysis further indicated that provincial departments are responsible for 70% of invoices paid after 30 days and are also responsible for 99% of invoices older than 30 days and not paid as at the end of March 2024. The number of invoices paid after 30 days by provincial departments in the 2023/24 financial year amounted to 253 151 invoices with the rand value of R 30.5 billion. The number of invoices older than 30 days and not paid by provincial departments as at the end of March 2024 amounted to 113 481 invoices with a rand value of R 10.6 billion.

Eastern Cape reported the highest number and rand value of invoices older than 30 days and not paid which amounted to 73 449 invoices or 65% of the total number of unpaid invoices by provincial departments, to the rand value of R 4.5 billion. Gauteng reported the second highest number and rand value of invoices older than 30 days and not paid, which amounted to 19 262 invoices or 17% of the total number of unpaid invoices to the rand value of R 2.8 billion. North West reported the third highest number of unpaid invoices which amounted to 11 180 invoices or 10% of the total number of unpaid invoices to the rand value of R 784 million.

The analysis indicates that national departments are responsible for 30% of invoices paid after 30 days and are also responsible for 1% of invoices older than 30 days, and not paid at the end of March 2024. The number of invoices paid after 30 days by national departments in the 2023/24 financial year amounted to 108 917 invoices with a rand value of R 4.6 billion. The number of invoices older than 30 days and not paid by national departments as at the end of March 2024, amounted to 1 427 invoices with a rand value of R 53 million.

The department of Defence reported the highest number of invoices paid after 30 days which amounted to 84 934 or 78% to the value of R 1.4 billion. The department of Public Works and Infrastructure (Trading Account) reported the second highest number of invoices paid after 30 days which amounted to 5 094 or 5% to the value of R 480 million.

The department of Justice and Constitutional Development reported the highest number and rand value of invoices older than 30 days and not paid which amounted to 1 375 invoices or 96% of the total number of unpaid invoices by national departments, to the rand value of R 43 million. Public Works and Infrastructure (Trading Account) reported the second highest number and rand value of invoices older

than 30 days and not paid which amounted to 39 invoices or 3% of the total number of unpaid invoices by national departments, to the rand value of R10 million.

Two hundred and forty-five (245) queries to the value of R198 million were received from SMMEs by National Treasury in the 2023/24 financial year. Of which, 52% queries to the value of R103 million were related to provincial institutions, and 48% to the value of R95 million were related to national institutions and municipalities. Seventy percent (70%) of queries at provincial level were related to the Department of Health.

8. Recommendations

The following should be noted by relevant stakeholders based on the analysis of the 30 days exception reports received from national departments and provincial treasuries on behalf of their respective provincial departments during the 2023/24 financial year:

- The impact of the late or non-payment of invoices on the sustainability of the SMMEs in contributing to unemployment, job creation and inequality issues;
- The initiatives taken by the National Treasury to improve the level of compliance with the requirements to pay invoices within 30 days by national and provincial departments;
- Repeated common reasons provided by national and provincial departments for late and non-payment of invoices;
- Disciplinary action against officials who fail to comply with the requirements to pay invoices within 30 days and who undermine the systems of internal control;
- Accounting Officers to ensure that the information to be submitted to the relevant treasury is duly signed off and submitted to the relevant treasury as per the timeframes stipulated in the National Treasury Instruction Note number 34;
- Accounting Officers and Chief Financial Officers to address the root causes of the late and/or non-payment of invoices to improve compliance with the requirement of Treasury Regulation 8.2.3; and
- Payment of suppliers within 30 days must be a standing agenda item for discussion at every EXCO meeting within departments.

2024
ANNUAL REPORT
ON LATE PAYMENT
OF SUPPLIER'S INVOICES
for 2023/24

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