



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

for 2024/25



**national treasury**

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



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## 1. Purpose

- 1.1 This report aims to provide an update to relevant stakeholders on the status of compliance by national and provincial departments with the legislative requirements to pay supplier's invoices within 30 days during the second quarter of the 2024/25 financial year.

## 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 judgement".
- 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.
- 2.4 On 26 March 2018, National Treasury issued a circular on the timeous payment of invoices and claims emphasising the importance of ensuring that institutions meet their obligation of paying suppliers on time, and for Accounting Officers to monitor the compliance thereof.

### **3. Background**

- 3.1 The late or non-payment of invoices has a serious impact on the financial health of suppliers who are often forced to borrow money to stay financially afloat as well as to continue meeting their contractual obligations with state institutions. When these institutions do not pay their suppliers timeously, it often results in suppliers closing down, especially Small, Medium and Micro Enterprises (SMMEs).
- 3.2 The late and/or non-payment of supplier's invoices impacts negatively on amongst others, the socio-economic challenges that our country faces such as the high unemployment rate, inequality, poverty, the financial health of suppliers, and their ability to pay salaries and other contractual obligations.
- 3.3 On 02 December 2009, Cabinet resolved that departments must implement mechanisms to ensure that payments to creditors are effected within 30 days from the date of receiving an invoice.
- 3.4 The Forum for South African Directors-General (FOSAD) also resolved that National Treasury must provide the Forum with regular compliance reports, ensuring that departments adhere to the requirement of paying suppliers invoices within 30 days.

## 4. Executive Summary

- 4.1 All national departments submitted their Exception Reports on the payment of supplier's invoices to the National Treasury as required by National Treasury Instruction No. 34, during the second quarter of the 2024/25 financial year which shows an average timeous submission rate of 86%. This represents **an improvement of 1%** when compared with the average timeous submission rate of 85% achieved in the first quarter of the 2024/25 financial year.
- 4.2 All provincial treasuries submitted their Exception Reports on the supplier's invoices to the National Treasury during the second quarter of the 2024/25 financial year with an average timeous submission rate of 85%, which represents **a regression of 4%** when compared with the average timeous submission rate of 89% achieved in the first quarter of the 2024/25 financial year.
- 4.3 Table 1 below provides the total number and rand value of invoices that were not paid within 30 days by national and provincial departments during the second quarter compared with the first quarter of the 2024/25 financial year:

**Table 1: Summary of the number and rand value of invoices not paid within 30 days in 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 as at the end of the quarter	
	Number of invoices	Rand value of invoices	Number of invoices	Rand value of invoices
Quarter 1 – FY2024/25				
National Departments	30 571	R 1 675 580 373	1 651	R 97 286 198
Provincial Departments	98 318	R 12 575 141 320	47 440	R 6 520 758 244
<b>Total</b>	<b>128 889</b>	<b>R 14 250 721 693</b>	<b>49 091</b>	<b>R 6 618 044 442</b>
Quarter 2 – FY2024/25				
National Departments	40 562	R 752 905 378	2 133	R 265 217 905
Provincial Departments	69 965	R 7 135 330 867	87 236	R 9 412 081 632
<b>Total</b>	<b>110 527</b>	<b>R 7 888 236 245</b>	<b>89 369</b>	<b>R 9 677 299 537</b>

- 4.4 Table 1 above illustrates that the number of invoices paid after 30 days by national and provincial departments during the second quarter of the 2024/25 financial year amounted to 110 527 invoices with a rand value of R 7.9 billion. The number of invoices older than 30 days and not paid by national and provincial departments at the end of the second quarter

of the 2024/25 financial year amounted to 89 369 invoices with a rand value of R 9.7 billion.

- 4.5 The number of invoices paid after 30 days by national and provincial departments during the second quarter of the 2024/25 financial year amounted to 110 527 invoices. This represents **an improvement of 14%** or 18 362 invoices when comparing the number of invoices paid after 30 days by national and provincial departments during the first quarter of the 2024/25 financial year which amounted to 128 889 invoices.
- 4.6 The rand value of invoices paid after 30 days by national and provincial departments during the second quarter of the 2024/25 financial year amounted to R 7.9 billion. This represents **an improvement of 45%** or R 6.4 billion when comparing the rand value of invoices paid after 30 days by national and provincial departments during the first quarter of the 2024/25 financial year which amounted to R 14.3 billion.
- 4.7 The number of invoices older than 30 days and not paid by national and provincial departments at the end of the second quarter of 2024/25 financial year amounted to 89 369 invoices. This represents a **regression of 82%** or 40 278 invoices when comparing the number of invoices not paid at the end of the first quarter of the 2024/25 financial year which amounted to 49 091 invoices.
- 4.8 The rand value of invoices older than 30 days and not paid by national and provincial departments at the end of the second quarter of the 2024/25 financial year amounted to R 9.7 billion. This represents a **regression of 47%** or R 3.1 billion when comparing the rand value of invoices older than 30 days and not paid at the end of the first quarter of the 2024/25 financial year which amounted to R 6.6 billion.
- 4.9 The number of invoices paid after 30 days by national departments during the second quarter of the 2024/25 financial year amounted to 40 546 invoices with a rand value of R 753 million. The number of invoices older than 30 days and not paid by national departments at the end of September 2024 amounted to 2 133 invoices with a rand value of R 265 million.
- 4.10 The number of invoices paid after 30 days by provincial departments during the second quarter amounted to 69 965 invoices with a rand value of R 7.1 billion. The number of invoices older than 30 days and not paid by provincial departments at the end of September 2024 amounted to 87 236 invoices with a rand value of R 9.4 billion.
- 4.11 The main departments at a national level contributing towards the late or non-payment of invoices during the second quarter of the 2024/25 financial year are the Departments of Defence, Public Works and Infrastructure (Trading Account), Transport, Correctional Services, Agriculture, Land Reform and Rural Development, Police, Justice and Constitutional

Development, Military Veterans and Government Communication and Information Systems. During the first quarter, ten (10) national departments mainly contributed towards the late or non-payment of invoices.

- 4.12 Departments at a provincial level that contributed the most number and rand value towards the late or non-payment of invoices during the second quarter of the 2024/25 financial year are the Eastern Cape provincial departments, North-West provincial departments, Northern Cape provincial departments, Free State provincial departments, KwaZulu-Natal provincial departments, and Gauteng provincial departments. These are the same provincial departments that contributed the most number and rand value towards the late and/or non-payment of invoices during the first quarter.
- 4.13 The common reasons provided by national and provincial departments for late or non-payment of invoices during the second quarter of the 2024/25 financial year include 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.



## Analysis of Exception Reports

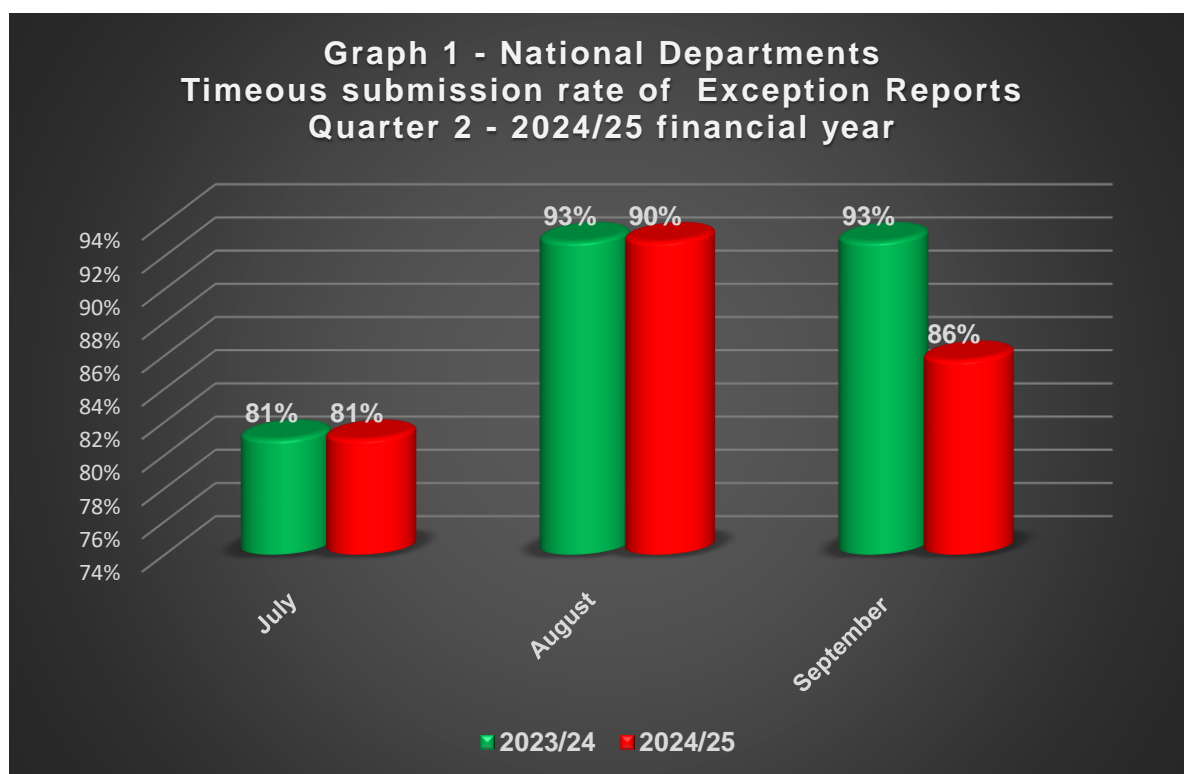
### 5. National Departments

#### 5.1 Submission of the 30 days Exception Reports

All national departments submitted their 30-day Exception Reports to the National Treasury as required by Instruction No. 34, during the second quarter of the 2024/25 financial year with an average timeous submission rate of 86%.

**Graph 1** below provides a month-to-month comparative analysis of the **timeous submission rate of Exception Reports** by national departments in the second quarter of the 2024/25 financial year compared to the same period in the 2023/24 financial year.

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



Graph 1 above illustrates month-to-month timeous submission rates of Exception Reports achieved by national departments in the second quarter of the 2024/25 financial year.

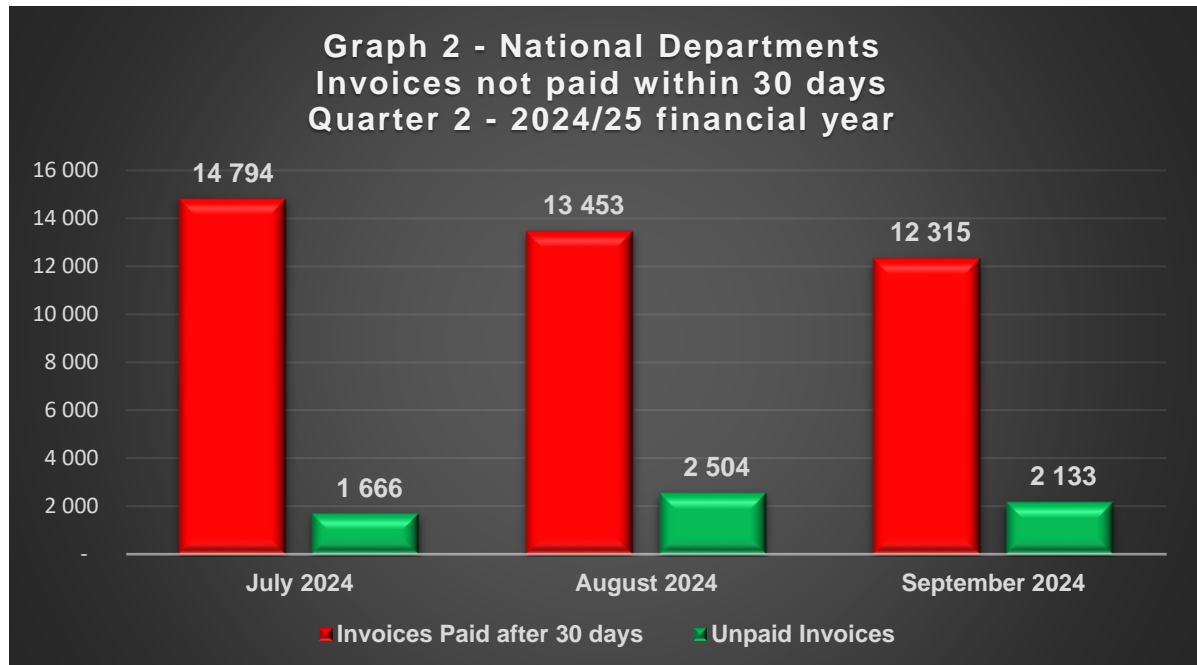
National departments achieved an annual average timeous submission rate of 86% in the second quarter of the 2024/25 financial year. This represents a **regression** of 3% when compared with the average timeous submission rate of 89% achieved in the second quarter of the 2023/24 financial year.



## 5.2 Invoices not paid within 30 days

**Graph 2** below illustrates the **number of invoices not paid within 30 days** by national departments during the second quarter of the 2024/25 financial year.

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



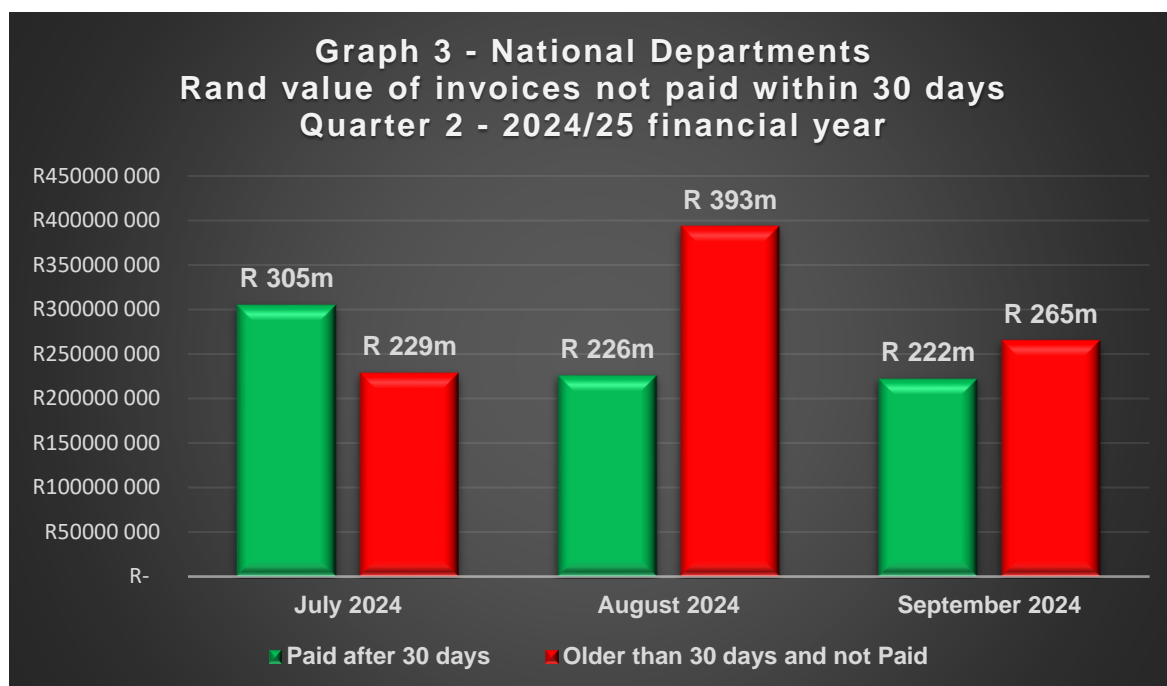
Graph 2 above illustrates a monthly comparison of the number of invoices not paid within 30 days by national departments during the second quarter of the 2024/25 financial year.

The number of invoices paid after 30 days during the second quarter of the 2024/25 financial year amounted to 40 562 invoices. This represents a **regression of 33% or 9 991 invoices** when compared to the number of invoices paid after 30 days during the first quarter of the 2024/25 financial year which amounted to 30 571 invoices.

The number of invoices older than 30 days and not paid by national departments at the end of September 2024 amounted to 2 133 invoices, which indicates a **regression of 29% or 482 invoices** when compared to the number of invoices older than 30 days and not paid at the end June 2024 which amounted to 1 651 invoices.

**Graph 3** below illustrates the **rand value of invoices not paid within 30 days** by national departments during the second quarter of the 2024/25 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 not paid within 30 days by national departments during the second quarter of the 2024/25 financial year.

The rand value of invoices paid after 30 days by national departments in the second quarter of the 2024/25 financial year amounted to R 753 million; this indicates **an improvement of 55% or R 947 million** when compared to the rand value of invoices paid after 30 days in the first quarter of the 2024/25 financial year which amounted to R 1.7 billion.

The rand value of invoices older than 30 days and not paid by national departments at the end of September 2024 amounted to R 265 million, and this indicates a **regression of 173% or R 168 million** when compared to the rand value of invoices older than 30 days and not paid at the end of the first quarter of the 2024/25 financial year which amounted to R 97 million.

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

**Table 2** below indicates national departments that reported invoices paid after 30 days during the second quarter of the 2024/25 financial year.

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

<b>National departments</b> <b>Departments that reported invoices paid after 30 days</b> <b>Quarter 2 – 2024/25 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 1 596 286	0%
Forestry, Fisheries and Environment	3	R 325 761	0%
Women, Youth and Persons with Disabilities	4	R 16 761	0%
Independent Police Investigative Directorate	4	R 324 171	0%
Employment and Labour	4	R 715 284	0%
Social Development	11	R 5 773 223	0%
Basic Education	15	R 2 141 214	0%
Home Affairs	41	R 5 792 167	0%
Public Works and Infrastructure (Main Account)	39	R 1 097 519	0%
Office of the Chief Justice	80	R 2 153 985	0%
International Relations and Cooperation	87	R 5 667 711	0%
Water and Sanitation (Trading Account)	93	R 2 279 049	0%
Government Communication and Information Systems	108	R 4 979 464	0%
Military Veterans	221	R 7 338 269	1%
Justice and Constitutional Development	231	R 2 790 560	1%
Police	267	R 10 271 605	1%
Agriculture, Land Reform and Rural Development	575	R 124 306 357	1%
Correctional Services	743	R 37 958 613	2%
Transport	941	R 5 940 297	2%
Public Works and Infrastructure (Trading Account)	1 577	R 183 057 541	4%
Defence	35 517	R 348 379 539	88%
<b>Total</b>	<b>40 562</b>	<b>R 752 905 376</b>	

Table 2 above illustrates national departments that reported the number and rand value of invoices paid after 30 days during the second quarter of the 2024/25 financial year. The total number of invoices paid after 30 days by national departments in the second quarter amounted to 40 562 invoices with a rand value of R 753 million.

The Department of Defence reported the highest number of invoices paid after 30 days during the second quarter which amounted to 35 517 invoices or 88% of the total number

of invoices paid after 30 days by national departments to the rand value of R 348 million. The Department of Public Works and Infrastructure (Trading Account) reported the second-highest number of invoices paid after 30 days during the same period which amounted to 1 577 invoices or 4% of the total number of invoices paid after 30 days by national departments, to the rand value of R 183 million.

#### 5.4 National departments that reported unpaid invoices

**Table 3** below indicates national departments that reported unpaid invoices at the end of the second quarter of the 2024/25 financial year.

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

National departments Departments that reported unpaid invoices Quarter 2 - 2024/25 financial year			
Department	Number of Invoices	Rand Value of Invoices	% of number of invoices
Water and Sanitation (Main Account)	1	R 11 891	0%
Public Works and Infrastructure (Main Account)	4	R 2 295 628	0%
Water and Sanitation (Trading Account)	15	R 189 860	1%
Home Affairs	29	R 106 670	1%
Agriculture, Land Reform and Rural Development	329	R 1 333 514	15%
Public Works and Infrastructure (Trading Account)	541	R 249 718 872	25%
Justice and Constitutional Development	1 214	R 11 561 469	57%
<b>Total</b>	<b>2 133</b>	<b>R 265 217 905</b>	

Table 3 above illustrates national departments that reported the number and rand value of invoices older than 30 days and not paid at the end of September 2024.

The total number of invoices older than 30 days and not paid at the end of September 2024 by national departments amounted to 2 133 invoices with a rand value of R265 million.

The Department of Justice and Constitutional Development reported the highest number of invoices older than 30 days and not paid which amounted to 1 214 or 57% of the total number of unpaid invoices by national departments, to the rand value of R12 million.

The Department of Public Works and Infrastructure (Trading Account) reported the second highest rand value of invoices older than 30 days and not paid which amounted to R 250 million with 541 unpaid invoices or 25% of the total number of unpaid invoices by national departments.

The Department of Agriculture, Land Reform and Rural Development reported 329 invoices older than 30 days and not paid or 15% of the total number of unpaid invoices by national departments, to the rand value of R 1.3 million.

## 5.5 National departments that paid all invoices

**Table 4** below indicates national departments that paid all invoices within 30 days during the second quarter of the 2024/25 financial year:

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

<b>National Departments</b> <b>Departments that paid all legitimate invoices within 30 days</b> <b>Quarter 2 - 2024/25 financial year</b>	
<b>No.</b>	<b>Department</b>
1	Civilian Secretariat for the Police Service
2	Communications and Digital Technologies
3	Health
4	Human Settlements
5	Mineral Resources and Energy
6	National School of Government
7	National Treasury
8	Planning, Monitoring and Evaluation
9	Presidency
10	Public Enterprises
11	Public Service and Administration
12	Public Service Commission
13	Science 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

Table 4 above illustrates the national departments that paid all invoices within 30 days during the second quarter of the 2024/25 financial year. These departments had no outstanding invoices at the end of the second quarter of the 2024/25 financial year which shows excellent results.

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

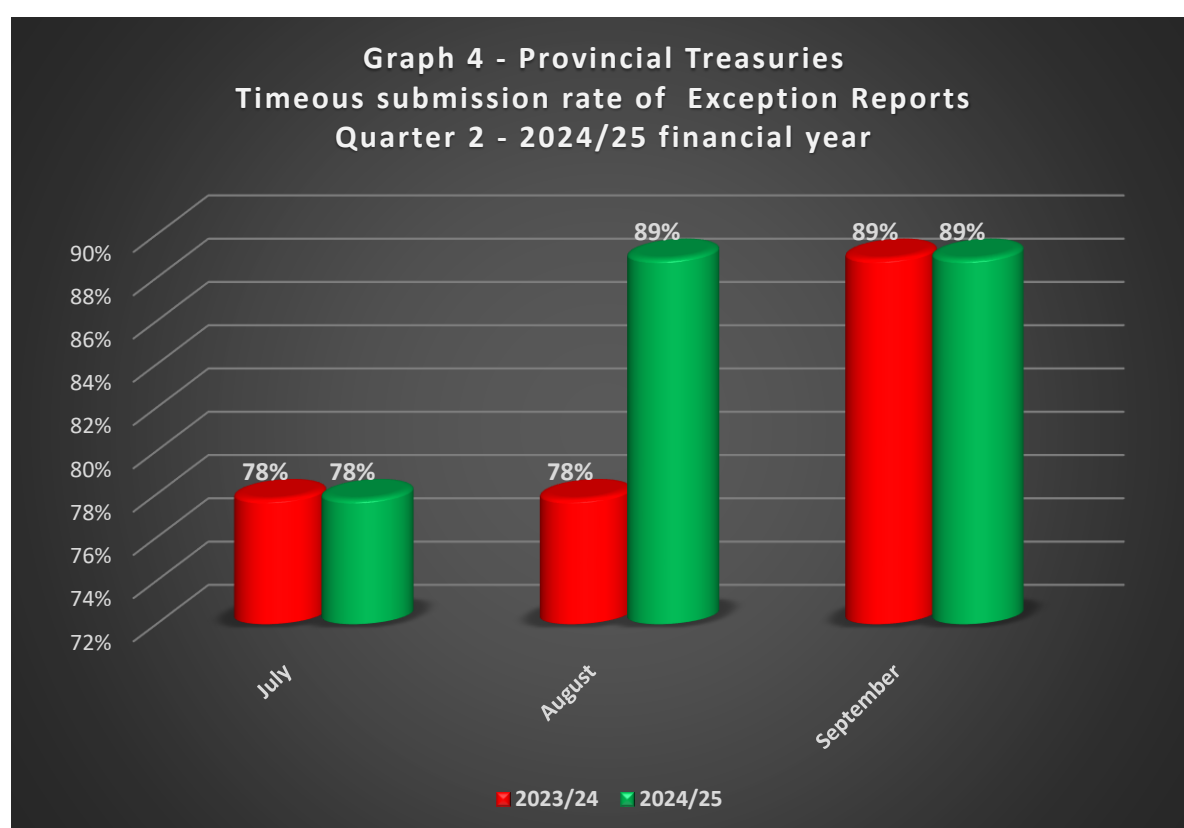
### 6. Provincial Treasuries

#### 6.1 Submission of the 30 days Exception Reports

All provincial treasuries submitted their Exception Reports on behalf of their respective provincial departments to the National Treasury during the second quarter of the 2024/25 financial year with an average timeous submission rate of 85%.

**Graph 4** below provides a month-to-month comparative analysis of the **timeous submission rate of Exception Reports** by provincial treasuries in the second quarter of the 2024/25 financial year compared to the same period in the 2023/24 financial year.

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



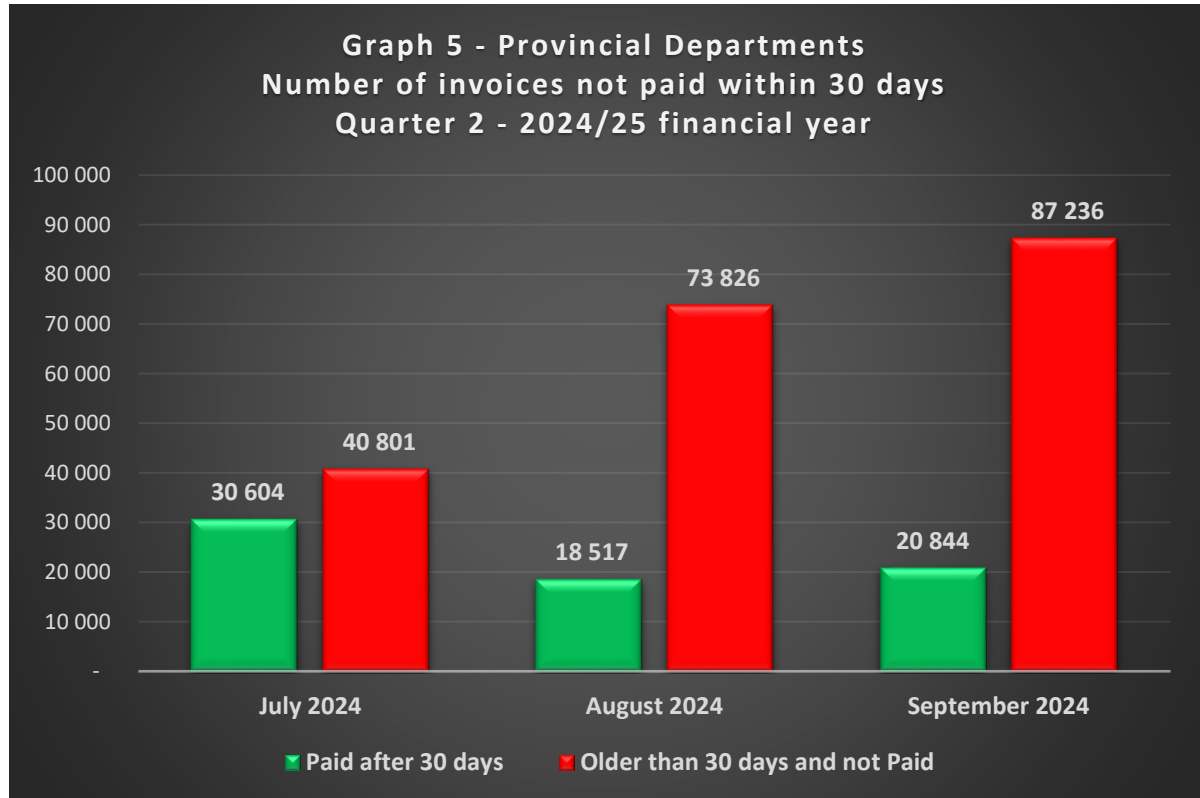
Graph 4 above illustrates the month-to-month timeous submission rate of Exception Reports achieved by provincial treasuries in the second quarter of the 2024/25 financial year.

Provincial Treasuries achieved average timeous submission rate of 85% in the second quarter of the 2024/25 financial year. This represents **an improvement of 4%** when compared with the average timeous submission rate of 81% achieved in the second quarter of the 2023/24 financial year.

## 6.2 Invoices not paid within 30 days

Graph 5 below illustrates the **number of invoices not paid within 30 days** by provincial departments during the second quarter of the 2024/25 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 not paid within 30 days by provincial departments during the second quarter of the 2024/25 financial year.

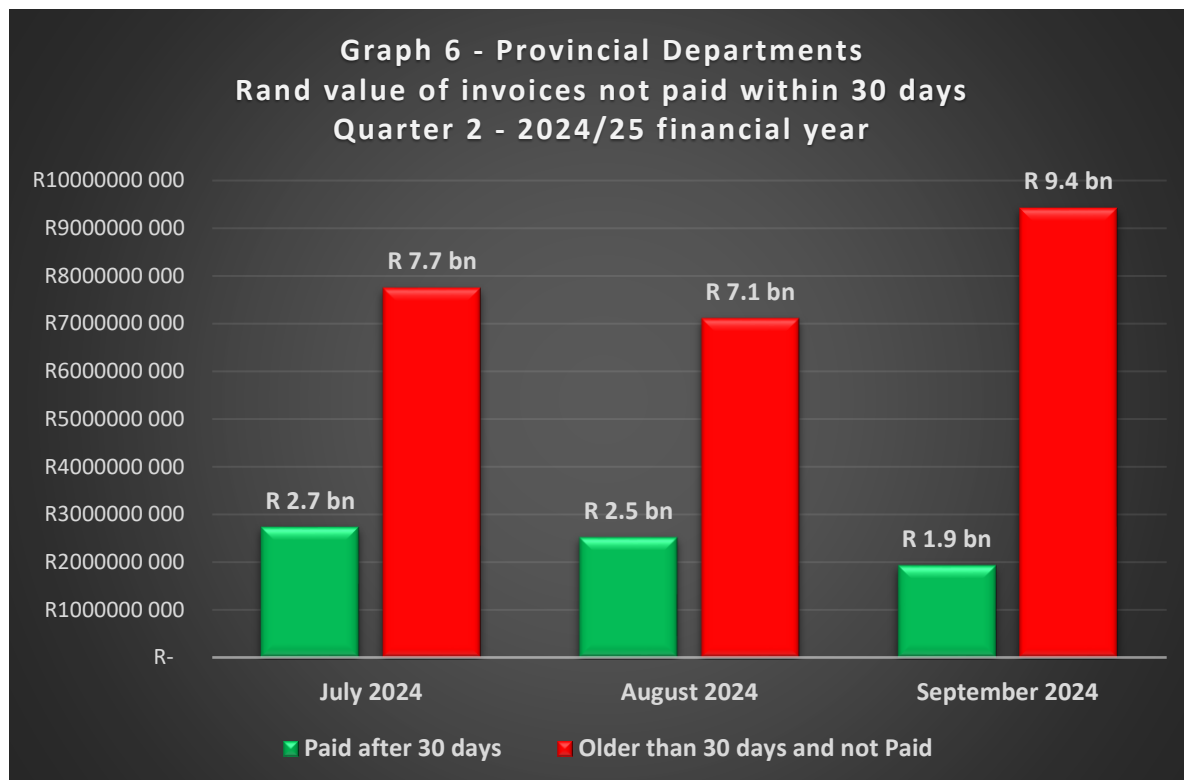
The number of invoices paid after 30 days during the second quarter of the 2024/25 financial year amounted to 69 965 invoices, which indicates **an improvement of 29% or 28 353 invoices** when compared to the number of invoices paid after 30 days by provincial departments during the first quarter of the 2024/25 financial year, amounting to 98 318 invoices.

The number of invoices older than 30 days and not paid by provincial departments at the end of September 2024 amounted to 87 236 invoices, indicating **a regression of 84% or 39 796 invoices** when compared to the number of invoices older than 30 days and not paid by provincial departments at the end of June 2024, which amounted to 47 440 invoices.



**Graph 6** below illustrates the **rand values of invoices not paid within 30 days** by provincial departments during the second quarter of the 2024/25 financial year.

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



Graph 6 above provides a monthly comparison of the rand value of invoices not paid within 30 days by provincial departments during the second quarter of the 2024/25 financial year.

The rand value of invoices paid after 30 days during the second quarter of the 2024/25 financial year amounted to R7.1 billion, which indicates **an improvement of 43% or R5.4 billion** compared to the rand value of invoices paid after 30 days by provincial departments in the first quarter of the 2024/25 financial year, which amounted to R 12.6 billion.

The rand value of invoices older than 30 days and not paid by provincial departments at the end of September 2024 amounted to R9.4 billion, representing **a regression of 44% or R2.9 billion** when compared to the rand value of invoices older than 30 days and not paid at the end of June 2024, which amounted to R6.5 billion.

### 6.3 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 second quarter of the 2024/25 financial year:

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

No.	Provincial Departments Number and rand value of invoices paid after 30 days Quarter 2 – 2024/25 financial year			
	Provincial Government	Number of invoices	Rand value of invoices	% of number of invoices
1	Limpopo	26	R 1 665 083	0%
2	Mpumalanga	187	R 7 747 138	0%
3	Western Cape	233	R 62 836 070	0%
4	Northern Cape	1 552	R 289 082 284	2%
5	Free State	2 332	R 306 462 083	3%
6	North-West	14 693	R 1 013 545 750	21%
7	Kwazulu-Natal	14 716	R 2 601 187 979	21%
8	Eastern Cape	15 405	R 1 197 421 479	22%
9	Gauteng	20 821	R 1 655 383 001	30%
<b>Total</b>		<b>69 965</b>	<b>R 7 135 330 867</b>	

Table 5 above illustrates the performance of provincial treasuries in terms of the number and rand value of invoices paid after 30 days during the second quarter of the 2024/25 financial year. The total number of invoices paid after 30 days by provincial departments amounted to 69 965 invoices with a rand value of R 7.1 billion.

Gauteng provincial treasury reported 20 821 invoices or 30% of the total number of invoices paid after 30 days which is the highest reported by provincial departments, for the second quarter of the 2024/25 financial year. However, Kwa-Zulu Natal provincial treasury reported the highest rand value of invoices paid after 30 days which amounted to R2.6 billion with 14 716 invoices or 21% of the total number of invoices paid after 30 days.

Eastern Cape provincial treasury reported 15 405 invoices or 22% of the total number of invoices paid after 30 days. North-West provincial departments reported 14 693 invoices or 21% 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 second quarter of the 2024/25 financial year which amounted to 26 invoices to the rand value of R1.7 million. Mpumalanga provincial treasury reported 187 invoices paid after 30 days with a rand value of R7.7 million and Western Cape provincial treasury reported 233 invoices paid after 30 days with a rand value of R63 million.

## 6.4 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 second quarter of the 2024/25 financial year:

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

<b>Provincial Departments</b> <b>Number and rand value of invoices older than 30 days and not paid</b> <b>Quarter 2 – 2024/25 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	2	R 17 725	0%
2	Western Cape	37	R 76 036	0%
3	Mpumalanga	75	R 16 996 047	0%
4	Northern Cape	2 825	R 667 903 886	3%
5	Free State	2 852	R 824 717 916	3%
6	Gauteng	3 306	R 1 277 523 950	4%
7	North-West	4 381	R 437 646 058	5%
8	Kwazulu-Natal	35 946	R 2 654 197 768	41%
9	Eastern Cape	37 812	R 3 533 002 246	43%
<b>Total</b>		<b>87 236</b>	<b>R 9 412 081 632</b>	

Table 6 above illustrates the performance of provincial treasuries in terms of the number and rand value of invoices older than 30 days and not paid at the end of September 2024. The total number of invoices older than 30 days and not paid by provincial departments at the end of September 2024 amounted to 87 236 invoices with a rand value of R9.4 billion.

Eastern Cape provincial treasury reported the highest number of invoices older than 30 days and not paid which amounted to 37 812 invoices or 43% of the total number of unpaid invoices reported by provincial departments. Furthermore, Eastern Cape provincial treasury reported the highest rand value of the unpaid invoices which amounted to R3.5 billion.

KwaZulu-Natal provincial treasury reported 35 946 invoices or 41% of the total number of unpaid invoices with a rand value of R2.7 billion. North-West provincial treasury reported 4 381 invoices or 5% of the total number of unpaid invoices with a rand value of R438 million. Gauteng provincial treasury reported 3 306 invoices or 4% of the total number of unpaid invoices with a rand value of R438 million R1.3 billion.

Limpopo provincial treasury reported the lowest invoices older than 30 days and not paid which amounted to 2 to the rand value of R17 725. Western Cape provincial treasury reported 37 unpaid invoices with the rand value of R76 036.

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

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

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

## 8. Queries on non-payment of invoice

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 possible date for the payment or any other resolution.

**Table 7** below illustrates the number and rand value of queries on non-payment of invoices received from suppliers in the second quarter of the 2024/25 financial year:

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

Government institutions			
Number of queries received regarding non-payment of invoices			
Quarter 2 – 2024/25 financial year			
Institution	Number of queries	Rand value	%
National institutions	27	R 16 134 609	28%
Provincial institutions	56	R 25 534 790	57%
Municipalities	15	R 6 776 354	15%
<b>Total</b>	<b>98</b>	<b>R 48 445 753</b>	
Resolved queries			
National institutions	1	R 20 976	
Provincial institution	1	R 18 671	
<b>Total</b>	<b>2</b>	<b>R 39 647</b>	

Table 7 above illustrates the number and rand value of queries on non-payment of invoices received from suppliers during the second quarter of the 2024/25 financial year.

The total number of queries received from suppliers during the second quarter of the 2024/25 financial year amounted to 98 queries with a rand value of R48 million. Through the intervention of the Office of Accountant-General (OAG), two (2) queries to the value of R 39 647 were resolved and payments were made to suppliers during the second quarter of the 2024/25 financial year.

Queries related to provincial institutions were escalated to the relevant provincial treasuries within the office of the Provincial Accountants-General (PAG) for intervention and elevation to the relevant Chief Financial Officer. It should further be noted that the majority of the queries received for provincial institutions were related to provincial departments of Health.

The total number of queries received from suppliers for non-payment of invoices by various municipalities amounted to 15 queries (15%) to the rand value of R6.8 million.

## 9. Conclusion

The analysis of the information received from national and provincial departments during the second quarter of the 2024/25 financial year indicates that provincial departments accounted for 63% of invoices paid after 30 days and 98% of invoices older than 30 days and not paid at the end of September 2024.

The analysis further indicates that the provincial departments that contributed the most invoices towards the late or non-payment of invoices during the second quarter of the 2024/25 financial year are the Eastern Cape provincial departments, North-West provincial departments, Northern Cape provincial departments, Free State provincial departments, KwaZulu-Natal and Gauteng provincial departments.

Gauteng provincial treasury reported the highest number of invoices paid after 30 days during the second quarter of the 2024/25 financial, however, KwaZulu Natal provincial treasury reported the highest rand value of invoices paid after 30 days during the same period. Eastern Cape provincial treasury reported the highest number and rand value of invoices older than 30 days and not paid at the end of September 2024.

The analysis also indicated that national departments are responsible for 37% of invoices paid after 30 days during the second quarter of the 2024/25 financial year, and they are also responsible for 2% of invoices older than 30 days and not paid at the end of September 2024.

National departments that contributed towards the late or non-payment of invoices for the second quarter of the 2024/25 financial year are the Departments of Defence, Public Works and Infrastructure (Trading Account), Transport, Correctional Services, Agriculture, Land Reform and Rural Development, Police, Justice and Constitutional Development, Military Veterans and Government Communication and Information Systems.

The total number of queries received from suppliers during the second quarter of the 2024/25 financial year amounted to 98 queries with a rand value of R48 million. Through the intervention of the Office of Accountant-General (OAG), two (2) queries to the value of R 39 647 were resolved and payments were made to suppliers during the second quarter of the 2024/25 financial year.

The common reasons provided by national and provincial departments for late or non-payment of invoices during the second quarter of the 2024/25 financial year include 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.

**The following analysis should be noted:**

- a) provincial departments are responsible for the majority of late and unpaid invoices;
- b) the health sector is the main contributor towards the late and/or non-payment of invoices at provincial level;
- c) late and/or non-payment of invoices within 30 days continues to severely impact the sustainability of SMMEs;
- d) budget constraints are reported to be the top reasons for late and/or non-payment of invoices in this current reporting period; and
- e) most reasons provided for late and/or non-payment of invoices relate to internal control deficiencies in departments that appear to be recurring without being addressed.



**NON-COMPLIANCE  
WITH PAYMENTS OF SUPPLIER'S  
INVOICES WITHIN 30 DAYS  
SECOND QUARTER REPORT**

for 2024/25

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