



NON-COMPLIANCE WITH PAYMENTS OF SUPPLIER'S INVOICES WITHIN 30 DAYS THIRD 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 third 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 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.
- 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 invoices to the National Treasury during the third quarter of the 2024/25 financial year with an average timeous submission rate of 83%. This represents a **regression of 3%** when compared with the average timeous submission rate of 86% achieved in the second quarter of the 2024/25 financial year.
- 4.2 All provincial treasuries submitted their exception reports on the payment of supplier's invoices to the National Treasury during the third quarter of the 2024/25 financial year with an average timeous submission rate of 81%. This represents a **regression of 4%** when compared with the average timeous submission rate of 85% achieved in the second 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 third quarter compared with the first and second quarters 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
Total	128 889	R 14 250 721 693	49 091	R 6 618 044 442
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
Total	110 527	R 7 888 236 245	89 369	R 9 677 299 537
Quarter 3 – FY2024/25				
National Departments	38 153	R 1 243 395 621	4 993	R 442 598 195
Provincial Departments	74 154	R 8 246 174 401	94 914	R 12 445 611 787
Total	112 307	R 9 489 570 022	99 907	R 12 888 209 982

- 4.4 Table 1 illustrates that national and provincial departments paid 112 307 invoices after 30 days during the third quarter of the 2024/25 financial year with a rand value of R 9.5 billion. This represents **a regression of 2%, or 1 780 invoices**, compared to the second quarter of the 2024/25 financial year, which amounted to 110 527 invoices.
- 4.5 The number of invoices older than 30 days and not paid by national and provincial departments at the end of the third quarter of the 2024/25 financial year amounted to 99 907 invoices with a rand value of R 12.9 billion. This represents **a regression of 12%, or 10 538 invoices**, compared to the end of the second quarter of the 2024/25 financial year, which amounted to 89 369 invoices.
- 4.6 The rand value of invoices paid after 30 days by national and provincial departments during the third quarter of the 2024/25 financial year amounted to R 9.5 billion. This represents **a regression of 20%, or R 1.6 billion**, compared to the second quarter of the 2024/25 financial year, which amounted to R 7.9 billion.
- 4.7 The rand value of invoices older than 30 days and not paid by national and provincial departments at the end of the third quarter of the 2024/25 financial year amounted to R 12.9 billion. This represents **a regression of 33%, or R 3.2 billion**, compared to the end of the second quarter of the 2024/25 financial year, which amounted to R 9.7 billion.
- 4.8 The number of invoices paid after 30 days by national departments during the third quarter of the 2024/25 financial year amounted to 38 153 invoices with a rand value of R 1.2 billion. This represents **an improvement of 6%, or 2 409 invoices**, compared to the second quarter, which amounted to 40 562 invoices.
- 4.9 The number of invoices older than 30 days and not paid by national departments at the end of December 2024 amounted to 4 993 invoices with a rand value of R 443 million. This represents **a regression of 134%, or 2 860 invoices**, compared to the second quarter which amounted to 2 133 invoices.
- 4.10 The number of invoices paid after 30 days by provincial departments during the third quarter of the 2024/25 financial year amounted to 74 154 invoices with a rand value of R 8.2 billion. This represents **a regression of 6%, or 4 187 invoices**, compared to the second quarter which amounted to 69 967 invoices.
- 4.11 The number of invoices older than 30 days and not paid by provincial departments at the end of December 2024 amounted to 94 914 invoices with a rand value of R 12.4 billion. This represents **a regression of 9%, or 7 678 invoices**, compared to the second quarter which amounted to 87 236 invoices.

- 4.12 National departments that contributed the most number and rand value towards the late or non-payment of invoices during the third quarter of the 2024/25 financial year are the Departments of Defence, Public Works and Infrastructure (Trading Account), Water and Sanitation (Main Account), Correctional Services, Transport, Justice and Constitutional Development, Agriculture, Land Reform and Rural Development, and Police.
- 4.13 Provincial departments that contributed the most number and rand value towards the late or non-payment of invoices during the third quarter of the 2024/25 financial year are the Eastern Cape provincial departments, KwaZulu-Natal provincial departments, Gauteng provincial departments, North-West provincial departments, Free State provincial departments, and Northern Cape provincial departments.
- 4.14 The common reasons provided by national and provincial departments for the late or non-payment of invoices during the third quarter of the 2024/25 financial year included inadequate budgets and cash blocking; financial system challenges (BAS and LOGIS); Central Supplier Database (CSD) challenges; disputed invoices with suppliers; unresolved SCM-related challenges; internal control deficiencies; Inadequate internal capacity; late processing and authorisation of invoices; and misfiled, misplaced or unrecorded invoices.

Analysis of Exception Reports

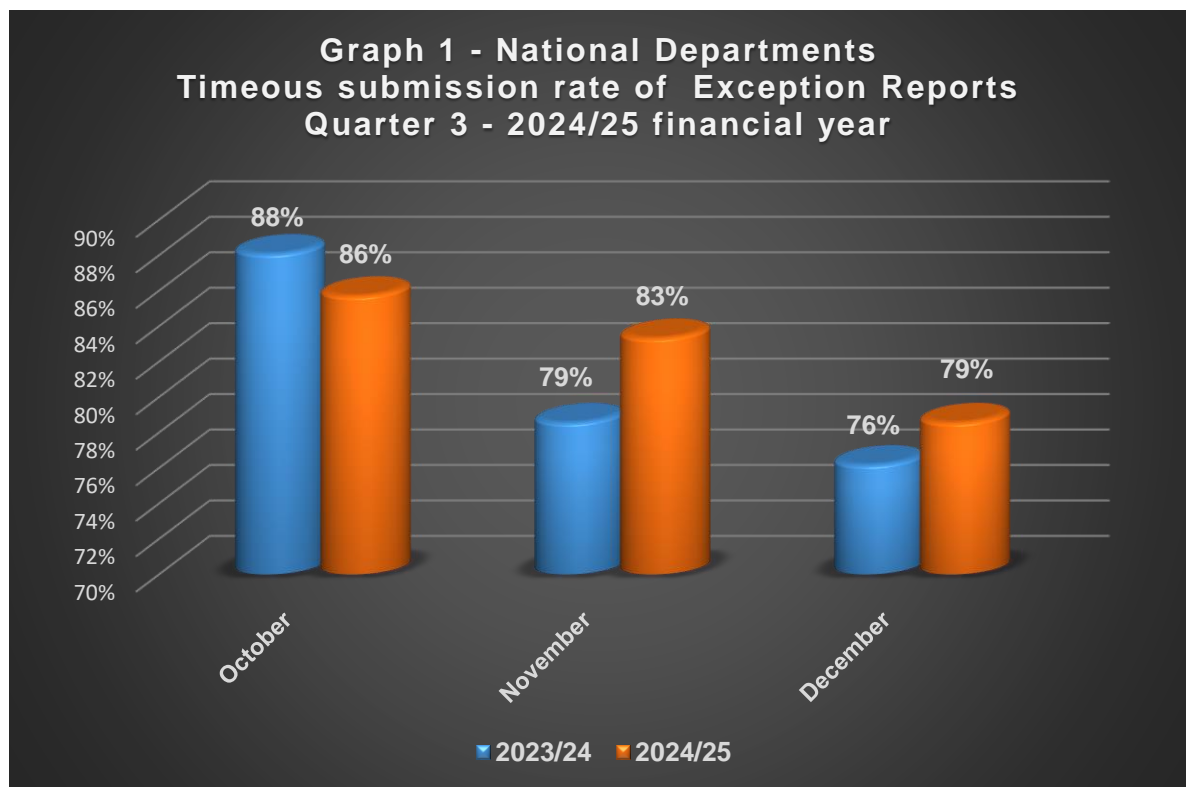
5. National Departments

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 third quarter of the 2024/25 financial year with an average timeous submission rate of 83%.

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



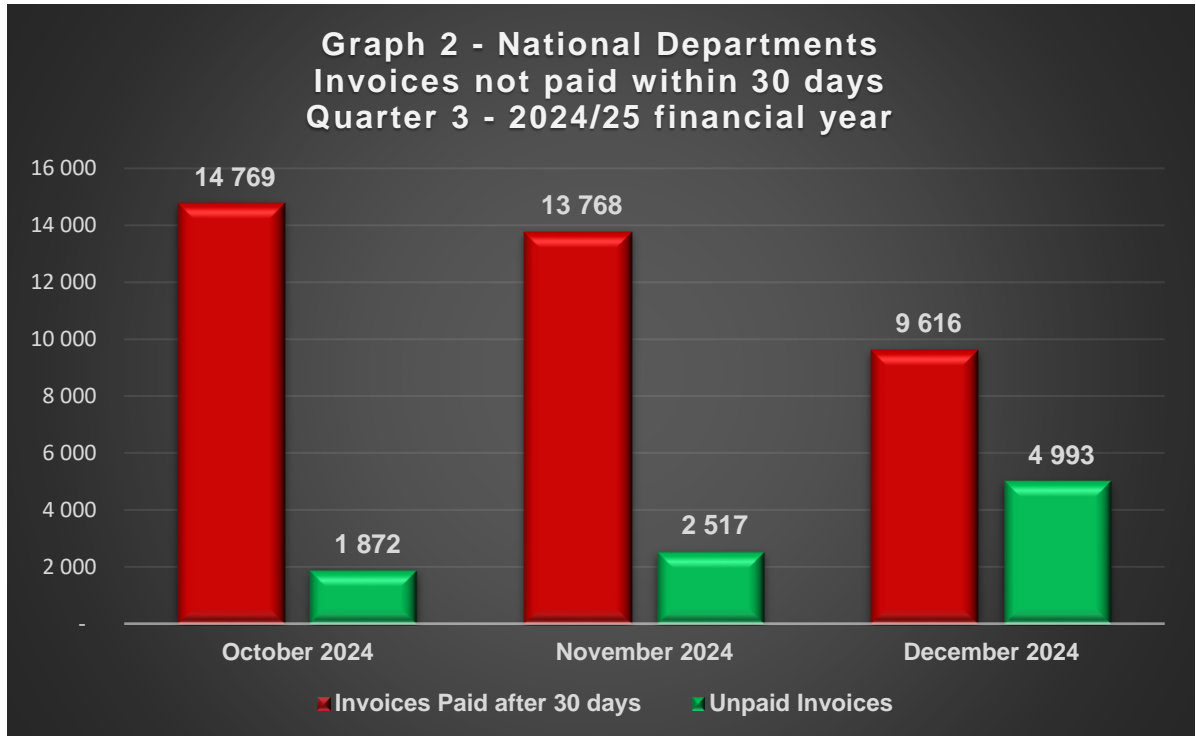
Graph 1 above illustrates the timeous submission rate achieved by national departments in the third quarter of the 2024/25 financial year, which amounted to 86% in October 2024, 83% in November 2024, and 79% in December 2024.

The annual average timeous submission rate achieved by national departments in the third quarter of the 2024/25 financial year amounted to 83%. This represents an **improvement of 2%** when compared with the average timeous submission rate of 81% achieved in the second quarter of the 2024/25 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 third quarter of the 2024/25 financial year.

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



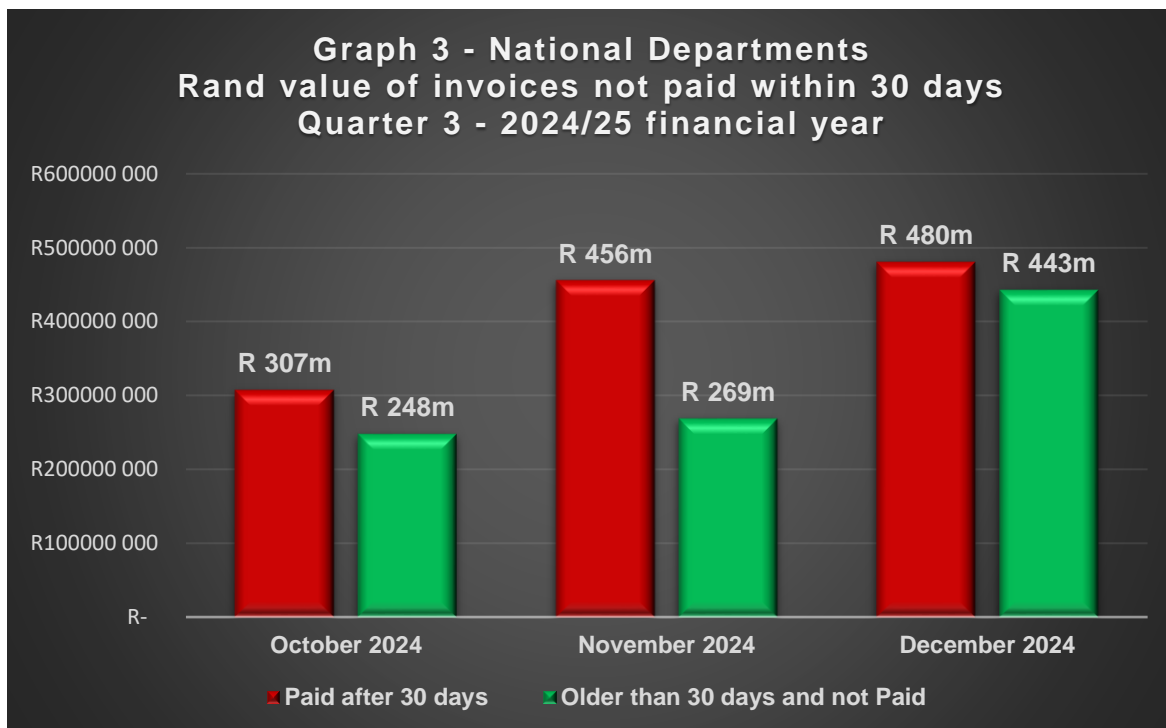
Graph 2 above illustrates a monthly comparison of the number of invoices paid after 30 days and the number of invoices older than 30 days and not paid by national departments during the third quarter of the 2024/25 financial year.

The total number of invoices paid after 30 days during the third quarter of the 2024/25 financial year amounted to 38 153 invoices. This represents **an improvement of 6%, or 2 409 invoices**, compared to the number of invoices paid after 30 days during the second quarter of the 2024/25 financial year, which amounted to 40 562 invoices.

The total number of invoices older than 30 days and not paid by national departments at the end of December 2024 amounted to 4 993 invoices. This represents **a regression of 134%, or 2 860 invoices**, compared to the number of invoices older than 30 days and not paid at the end of September 2024, which amounted to 2 133 invoices.

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

The rand value of invoices paid after 30 days by national departments in the third quarter of the 2024/25 financial year amounted to R 1.2 billion. This represents **a regression of 65%, or R 490 million**, compared to the rand value of invoices paid after 30 days in the second quarter of the 2024/25 financial year, which amounted to R 753 million.

The rand value of invoices older than 30 days and not paid by national departments at the end of December 2024 amounted to R 443 million. This represents **a regression of 67%, or R 178 million**, compared to the rand value of invoices older than 30 days and not paid at the end of September 2024, which amounted to R 265 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 third quarter of the 2024/25 financial year.

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

National departments Departments that reported invoices paid after 30 days Quarter 3 – 2024/25 financial year				
Department	Number of Invoices		Rand Value of Invoices	% of number of invoices
Presidency	1	R	12 154	0%
Trade, Industry and Competition	1	R	27 956	0%
Women, Youth and Persons with Disabilities	3	R	181 218	0%
Independent Police Investigative Directorate	4	R	12 963	0%
Forestry, Fisheries and Environment	4	R	985 435	0%
Employment and Labour	6	R	3 764 655	0%
Social Development	10	R	898 272	0%
International Relations and Cooperation	11	R	3 039 913	0%
Basic Education	24	R	90 642	0%
Home Affairs	33	R	5 940 660	0%
Office of the Chief Justice	46	R	2 759 552	0%
Government Communication and Information Systems	81	R	1 123 088	0%
Military Veterans	82	R	2 288 715	0%
Public Works and Infrastructure (Main Account)	92	R	13 793 881	0%
Water and Sanitation (Trading Account)	132	R	683 705	0%
Justice and Constitutional Development	288	R	5 642 076	1%
Police	309	R	4 256 251	1%
Agriculture, Land Reform and Rural Development	339	R	80 256 023	1%
Transport	701	R	5 105 551	2%
Correctional Services	733	R	303 492 896	2%
Water and Sanitation (Main Account)	1 737	R	13 041 454	5%
Public Works and Infrastructure (Trading Account)	3 161	R	339 312 198	8%
Defence	30 355	R	456 686 363	80%
Total	38 153	R	1 243 395 622	

Table 2 above illustrates national departments that reported the number and rand value of invoices paid after 30 days during the third quarter of the 2024/25 financial year. The total number of invoices paid after 30 days by national departments in the third quarter amounted to 38 153 invoices with a rand value of R 1.2 billion.

The Department of Defence reported the highest number of invoices paid after 30 days during the third quarter which amounted to 30 355 invoices or 80% of the total number of invoices paid after 30 days by national departments to the rand value of R 357 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 3 161 invoices or 8% of the total number of invoices paid after 30 days by national departments, to the rand value of R 339 million.

5.4 National departments that reported unpaid invoices

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

Table 3: National departments that reported unpaid invoices

National departments Departments that reported unpaid invoices Quarter 3 - 2024/25 financial year			
Department	Number of Invoices	Rand Value of Invoices	% of number of invoices
Social Development	2	1 114 000	0%
Water and Sanitation (Trading Account)	12	42 740	0%
Home Affairs	24	78 259	0%
Public Works and Infrastructure (Main Account)	38	1 762 188	1%
Water and Sanitation (Main Account)	96	1 024 074	2%
Agriculture, Land Reform and Rural Development	188	2 179 574	4%
Justice and Constitutional Development	1 614	18 036 010	33%
Public Works and Infrastructure (Trading Account)	3 019	418 361 350	60%
Total	4 993	442 598 195	

Table 3 above illustrates national departments that reported the number and rand value of invoices older than 30 days and not paid at the end of December 2024. The total number of invoices older than 30 days and not paid at the end of December 2024 by national departments amounted to 4 993 invoices with a rand value of R 443 million.

The Department of Public Works and Infrastructure (Trading Account) reported the highest number and rand value of invoices older than 30 days and not paid, which amounted to 3 019 invoices or 60% of the total number of unpaid invoices by national departments, to the rand value of R 418 million.

The Department of Justice and Constitutional Development reported the second highest number and rand value of invoices older than 30 days and not paid, which amounted to 1 614 or 33% of the total number of unpaid invoices, to the rand value of R 18 million.

The Department of Agriculture, Land Reform and Rural Development reported 188 invoices or 4% of the total number of invoices older than 30 days and not paid to the rand value of R 2 million.

5.5 National departments that paid all invoices

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

Table 4: National departments that paid invoices within 30 days

National Departments	
Departments that paid all legitimate invoices within 30 days	
Quarter 3 - 2024/25 financial year	
No.	Department
1	Civilian Secretariat for the Police Service
2	Communications and Digital Technologies
3	Cooperative Governance
4	Health
5	Higher Education and Training
6	Human Settlements
7	Mineral Resources and Energy
8	National School of Government
9	National Treasury
10	Planning, Monitoring and Evaluation
11	Public Enterprises
12	Public Service and Administration
13	Public Service Commission
14	Science and Innovation
15	Small Business Development
16	Sports, Arts and Culture
17	Statistics South Africa
18	Tourism
19	Traditional Affairs

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

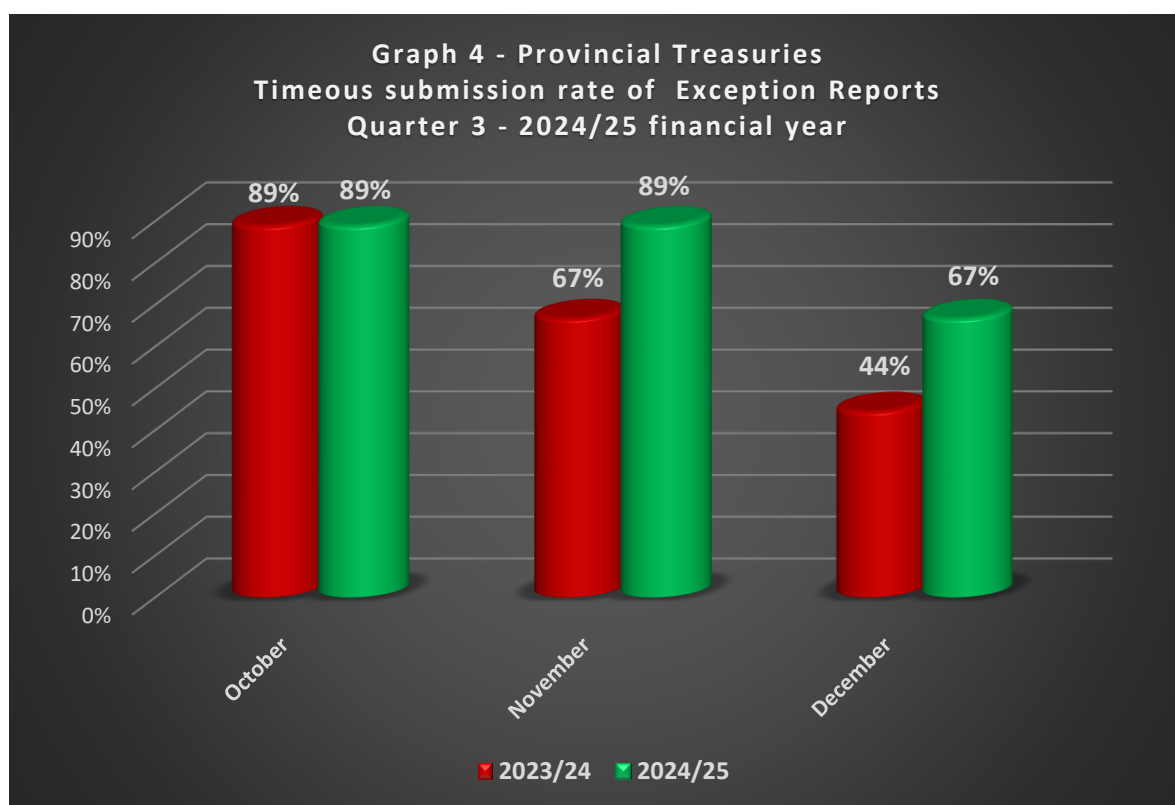
6. Provincial Treasuries

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 third quarter of the 2024/25 financial year with an average timeous submission rate of 81%.

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



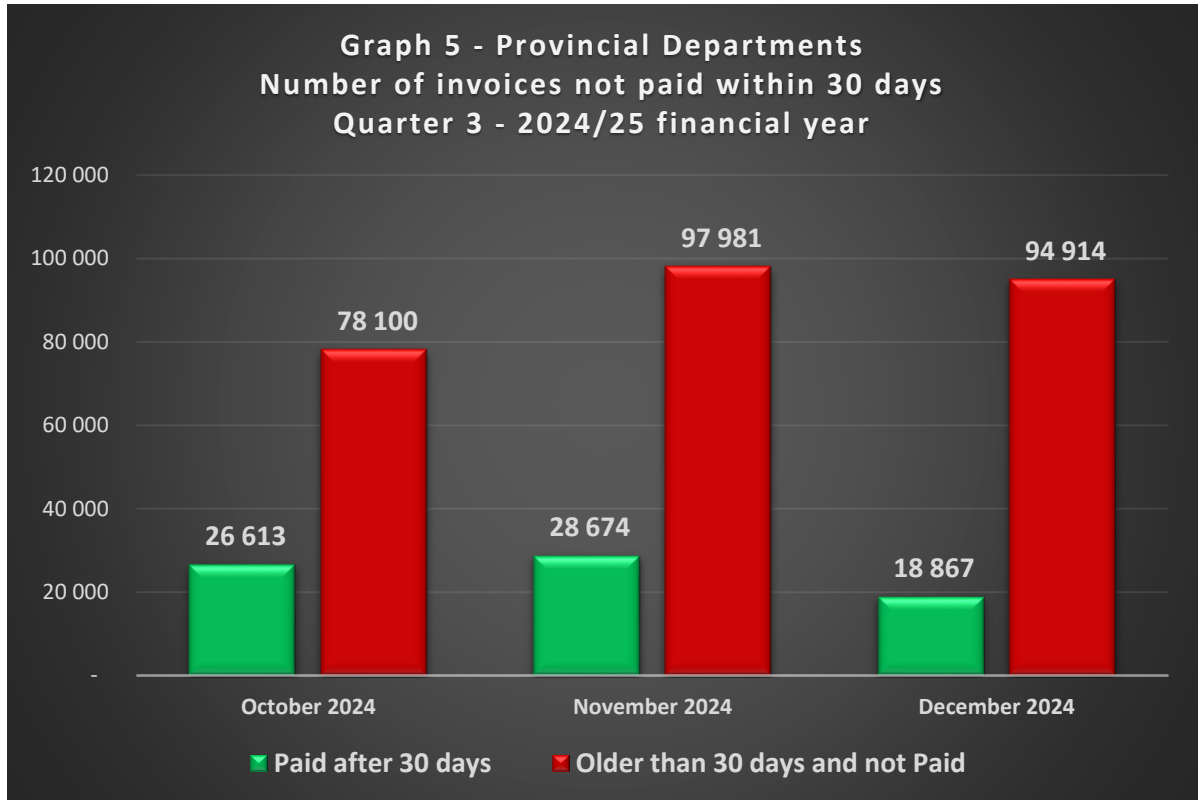
Graph 4 above illustrates the timeous submission rate achieved by provincial departments in the third quarter of the 2024/25 financial year, which amounted to 89% in October 2024, 89% in November 2024, and 67% in December.

The annual average timeous submission rate achieved by provincial departments in the third quarter of the 2024/25 financial year amounted to 81%. This represents an **improvement of 14%** when compared with the annual average timeous submission rate of 67% achieved in the third 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 third quarter of the 2024/25 financial year.

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



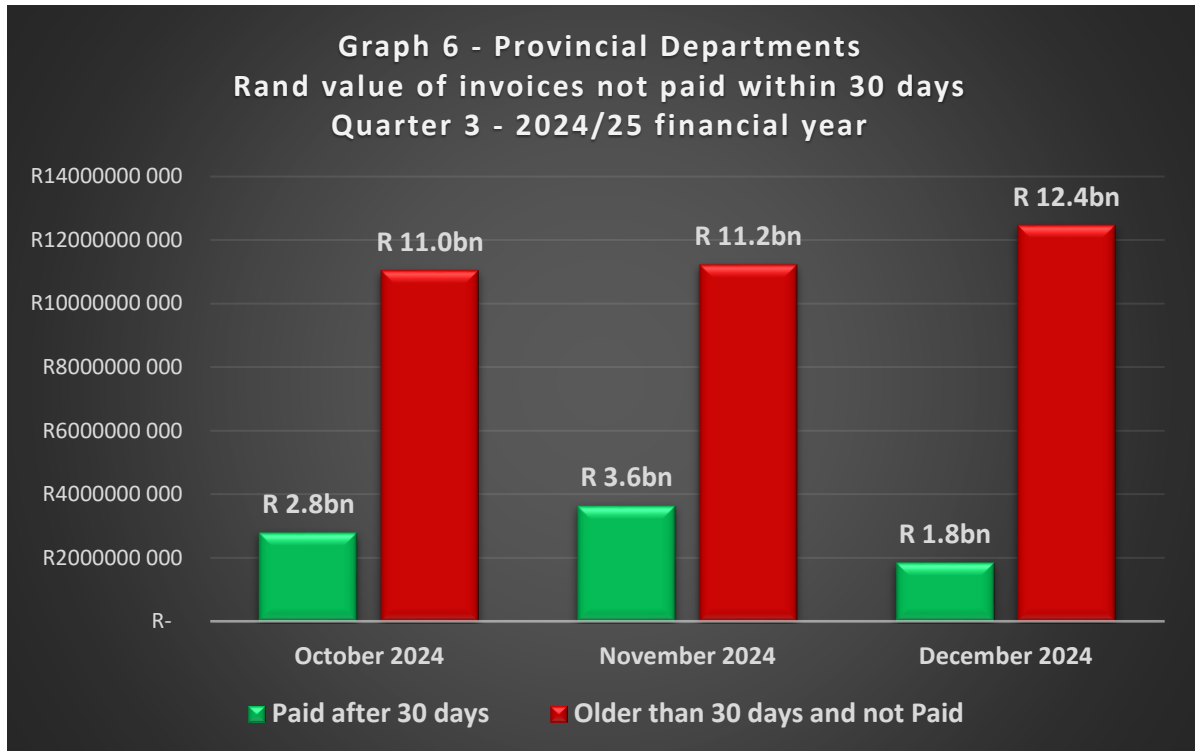
Graph 2 above illustrates a monthly comparison of the number of invoices paid after 30 days and the number of invoices older than 30 days and not paid by provincial departments during the third quarter of the 2024/25 financial year.

The number of invoices paid after 30 days during the third quarter of the 2024/25 financial year amounted to 74 154 invoices. This represents a **regression of 6%, or 4 189 invoices**, compared to the number of invoices paid after 30 days during the second quarter of the 2024/25 financial year which amounted to 69 965 invoices.

The number of invoices older than 30 days and not paid by provincial departments at the end of December 2024 amounted to 94 914 invoices. This indicates a **regression of 9%, or 7 678 invoices**, compared to the number of invoices older than 30 days and not paid by provincial departments at the end of September 2024, which amounted to 87 236 invoices.

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

The rand value of invoices paid after 30 days during the third quarter of the 2024/25 financial year amounted to R8.2 billion. This indicates a **regression of 15%, or R 1.1 billion**, compared to the rand value of invoices paid after 30 days by provincial departments in the second quarter of the 2024/25 financial year, which amounted to R 7.1 billion.

The rand value of invoices older than 30 days and not paid by provincial departments at the end of December 2024 amounted to R 12.4 billion. This represents a **regression of 32%, or R 3.0 billion**, compared to the rand value of invoices older than 30 days and not paid at the end of September 2024, which amounted to R 9.4 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 third quarter of the 2024/25 financial year:

Table 5: Provincial departments – Invoices paid after 30 days

Provincial Departments Number and rand value of invoices paid after 30 days Quarter 3 – 2024/25 financial year				
No.	Provincial Government	Number of invoices	Rand value of invoices	% of number of invoices
1	Limpopo	57	R 6 413 239	0%
2	Mpumalanga	58	R 16 334 445	0%
3	Western Cape	532	R 41 816 015	1%
4	Northern Cape	1 723	R 276 745 904	2%
5	Free State	3 653	R 509 098 655	5%
6	North-West	13 102	R 1 155 777 662	18%
7	Gauteng	16 449	R 2 018 941 169	22%
8	KwaZulu-Natal	17 926	R 2 651 322 523	24%
9	Eastern Cape	20 654	R 1 569 724 790	28%
Total		74 154	R 8 246 174 401	

Table 5 above illustrates the performance of provincial treasuries in terms of the number and rand value of invoices paid after 30 days during the third quarter of the 2024/25 financial year. The total number of invoices paid after 30 days by provincial departments amounted to 74 154 invoices with a rand value of R 8.2 billion.

Eastern Cape provincial treasury reported the highest number of invoices paid after 30 days during the third quarter amounting to 20 654 invoices or 28% of the total number of invoices paid after 30 days to a rand value of R 1.6 billion. However, Kwa-Zulu Natal provincial treasury reported the highest rand value of invoices paid after 30 days which amounted to R 2.6 billion with 17 926 invoices or 24% of the total number of invoices paid after 30 days.

Gauteng provincial treasury reported 16 449 invoices or 22% of the total number of invoices paid after 30 days. North-West provincial treasury reported 13 102 invoices or 18% of the total number of invoices paid after 30 days.

Limpopo provincial treasury reported the lowest number and rand value of invoices paid after 30 days during the third quarter of the 2024/25 financial year which amounted to 57 invoices to the rand value of R6 million. Mpumalanga provincial treasury reported 58 invoices paid after 30 days with a rand value of R16 million, and Western Cape provincial treasury reported 532 invoices paid after 30 days with a rand value of R42 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 third quarter of the 2024/25 financial year:

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

Provincial Departments Number and rand value of invoices older than 30 days and not paid Quarter 3 – 2024/25 financial year				
No.	Provincial Government	Number of invoices	Rand Value of invoices	% of number of invoices
1	Mpumalanga	4	R 267 861	0%
2	Limpopo	5	R 128 125	0%
3	Western Cape	34	R 512 853	0%
4	Northern Cape	4 892	R 761 832 141	5%
5	North-West	5 499	R 840 986 956	5%
6	Free State	5 759	R 1 364 386 158	6%
7	Gauteng	13 162	R 2 920 984 402	14%
8	KwaZulu-Natal	25 166	R 2 561 889 650	27%
9	Eastern Cape	40 393	R 3 994 623 640	43%
Total		94 914	R 12 445 611 787	

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 December 2024. The total number of invoices older than 30 days and not paid by provincial departments at the end of December 2024 amounted to 94 914 invoices with a rand value of R12.4 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 December 2024 which amounted to 40 393 invoices or 43% of the total number of unpaid invoices reported by provincial departments to a rand value of R 4.0 billion.

KwaZulu-Natal provincial treasury reported 25 166 invoices or 27% of the total number of unpaid invoices with a rand value of R2.6 billion. Gauteng provincial treasury reported 13 162 invoices or 14% of the total number of unpaid invoices with a rand value of R2.9 billion. Free State provincial treasury reported 5 759 invoices or 6% of the total number of unpaid invoices with a rand value of R1.3 billion.

Mpumalanga provincial treasury reported the lowest invoices older than 30 days and not paid, which amounted to 4 to the rand value of R267 861. Limpopo provincial treasury reported the lowest rand value of unpaid invoices, which amounted to R128 125 with 5 invoices.

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 third 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) Disputed invoices with suppliers;
- e) Unresolved SCM-related challenges;
- f) Internal control deficiencies;
- g) Inadequate internal capacity;
- h) Late processing and authorisation of invoices; and
- i) 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) 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.

The total number of queries received from suppliers during the third quarter of the 2024/25 financial year amounted to 86 queries with a rand value of R153 million. Through the intervention of the Office of Accountant-General (OAG), five (5) queries to the rand value of R 490 492 were resolved and payments were made to suppliers during the third quarter of the 2024/25 financial year.

The total number of queries received from suppliers for non-payment of invoices by national departments and public entities amounted to 26 queries (30%) to a rand value of R6 million, these queries were escalated to the institution in the office of the Chief Financial Officer (CFO) for resolutions and further investigations.

The total number of queries received from suppliers for non-payment of invoices by provincial departments and entities amounted to 42 queries (49%) to a rand value of R55 million, these queries were escalated to the relevant provincial treasuries in the office of the Provincial Accountants-General for intervention and elevation to the relevant CFO.

The total number of queries received from suppliers for non-payment of invoices by various municipalities amounted to 18 queries (21%) to the rand value of R92 million, these queries were escalated to the relevant municipality for resolution and investigation.

9. Conclusion

The analysis of the information received from national and provincial departments during the third quarter of the 2024/25 financial year indicates that provincial departments accounted for 66% of invoices paid after 30 days and 95% of invoices older than 30 days and not paid at the end of December 2024.

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

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

The analysis also indicated that national departments are responsible for 34% of invoices paid after 30 days during the third quarter of the 2024/25 financial year, and they are also responsible for 5% of invoices older than 30 days and not paid at the end of December 2024.

National departments that contributed the highest towards the late or non-payment of invoices for the third quarter of the 2024/25 financial year are the Departments of Defence, Public Works and Infrastructure (Trading Account), Water and Sanitation (Main Account), Correctional Services, Transport, Justice and Constitutional Development, Agriculture, Land Reform and Rural Development, and Police.

The total number of queries received from suppliers during the third quarter of the 2024/25 financial year amounted to 86 queries with a rand value of R153 million. Through the intervention of the Office of Accountant-General (OAG), five (5) queries to the rand value of R 490 492 were confirmed resolved and payments were made to suppliers during the third 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 third quarter of the 2024/25 financial year include inadequate budgets and cash blocking; financial system challenges (BAS and LOGIS); Central Supplier Database (CSD) challenges; disputed invoices with suppliers; unresolved SCM-related challenges; internal control deficiencies; Inadequate internal capacity; late processing and authorisation of invoices; and misfiled, misplaced or unrecorded invoices.

NON-COMPLIANCE
WITH PAYMENTS OF SUPPLIER'S
INVOICES WITHIN 30 DAYS
THIRD QUARTER REPORT
for 2024/25

