461. Dr V Knoetze to ask the Premier:

In light of findings that several provincial departments continue to fail to comply with the 30-day payment requirement to suppliers and further noting the alleged on-going accumulation of accruals and the adverse impact of delayed payments on small businesses, economic activity and service delivery:

<table>
<tr><th>QUESTION</th><th>RESPONSE</th></tr>
<tr><td>1) Whether he can kindly supply an age analysis, per department, of payments outstanding for more than 30 days, including the (a) amount outstanding and (b) duration for which it is outstanding;</td>
<td>It should be noted from March 2026, DOH and DOT were the only departments not paying within 30 days. This is as per the report extracted from government financial system, BAS. Table below reflects the available data extracted from BAS for the month of March 2026.
<table>
<tr><td colspan="7">Invoices processed within 30 days and those that were older than 30 days for March 2026</td></tr>
<tr><td>DEPARTMENT</td><td colspan="6">Mar-2026</td></tr>
<tr><td></td><td>Nr of Invoices Processsed</td><td>Nr of invoices paid within 30 days</td><td>% paid within 30 days</td><td>Nr. Of invoices paid over 30 days</td><td>% paid over 30 days</td><td>RAND VALUE R'000</td></tr>
<tr><td>OTP</td><td>221</td><td>221</td><td>100,0%</td><td>-</td><td>0,0%</td><td>-</td></tr>
<tr><td>DOH</td><td>4 885</td><td>2 545</td><td>52,1%</td><td>2 340</td><td>47,9%</td><td>161 914</td></tr>
<tr><td>DSD</td><td>1 783</td><td>1 778</td><td>99,7%</td><td>5</td><td>0,3%</td><td>180</td></tr>
<tr><td>DPWI</td><td>400</td><td>338</td><td>84,5%</td><td>62</td><td>15,5%</td><td>5 297</td></tr>
<tr><td>DOE</td><td>7 249</td><td>7 091</td><td>97,8%</td><td>158</td><td>2,2%</td><td>68 739</td></tr>
<tr><td>COGTA</td><td>819</td><td>818</td><td>99,9%</td><td>1</td><td>0,1%</td><td>29</td></tr>
<tr><td>DOA</td><td>1 125</td><td>1 123</td><td>99,8%</td><td>2</td><td>0,2%</td><td>32</td></tr>
<tr><td>DEDEAT</td><td>312</td><td>309</td><td>99,0%</td><td>3</td><td>1,0%</td><td>126</td></tr>
<tr><td>DOT</td><td>4 298</td><td>2 780</td><td>64,7%</td><td>1 518</td><td>35,3%</td><td>53 826</td></tr>
<tr><td>DHS</td><td>1 161</td><td>1 155</td><td>99,5%</td><td>6</td><td>0,5%</td><td>1 676</td></tr>
<tr><td>PT</td><td>131</td><td>130</td><td>99,2%</td><td>1</td><td>0,8%</td><td>2</td></tr>
<tr><td>DSRAC</td><td>894</td><td>894</td><td>100,0%</td><td>-</td><td>0,0%</td><td>-</td></tr>
<tr><td>DCS</td><td>576</td><td>576</td><td>100,0%</td><td>-</td><td>0,0%</td><td>-</td></tr>
<tr><td>TOTAL</td><td>23 854</td><td>19 758</td><td>82,8%</td><td>4 096</td><td>17,2%</td><td>291 821</td></tr>
<tr><td colspan="7">SOURCE: VULINDELA</td></tr>
</table>
</td></tr>
<tr><td>2) What (a) total number of suppliers have been affected by late payments across provincial departments and (b) categories of businesses are most impacted,</td><td>Detailed reports are being sourced from Provincial Departments</td></tr>
</table>

QUESTION	RESPONSE
particularly with regard to small, medium and emerging enterprises;	
3) What (a) departments have consistently recorded repeat instances of late payment over the past three financial years according to the Auditor General South Africa (AGSA), (b) underlying causes have been identified for this pattern of non-compliance and (c) consequence management steps have been implemented;	The main culprits are Department of Health DOH for the past 3 years, with Department of Transport DOT recently also being impacted, especially regarding Scholar Transport invoices. b. Mainly for the department of Health is MEDICO Legal Claims and for Transport is SCHOLAR transport. DOH is the main department that delayed payments. Research study on Accruals & Payable was undertaken on DOH and DOE in 2019/20 financial year and reflected the main causes are as follows: • Spending and budget allocations – department pay for invoices with no budget allocated or pay more than allocated budget; Shifted funds to supplement expenditure that was not allocated; lack of co-ordination of officials in SCM, Finance and Budget in managing finances; funds shifted after delivery of invoices causing delays in payment of invoices. • Incomplete or deviations from Procurement plans – not all goods and services where expenditure is incurred was included in procurement plans • Delays in confirmation of receipt of goods and services • Receipt of invoices are on a manual tracking system

QUESTION	RESPONSE
	• Suppliers billing for more than what was delivered or delivering inferior quality items than what was agreed upon • Inactive supplier banking details • Contractors start to work on projects without an official order, and orders are prepared after services rendered and delays in payment is caused c. In terms of consequence management the provincial treasury follows the accountability model whereby matters are escalated through the MEC of finance to the executive authority of the departments. As an oversight department, the Eastern Cape Provincial Treasury cannot directly take disciplinary action against departments. However, ECPT monitors compliance with the 30-day payment requirement, sends reminders and advisory circulars, escalates ongoing non-compliance to accounting officers and oversight structures, and requires departments to put corrective measures in place. Departments are also encouraged to take internal action against officials responsible for unnecessary payment delays.
4) What (a) proportion of delayed payments can be attributed to cash flow constraints, budget reprioritisation or administrative failures and (b) measures has his Office implemented towards addressing each of these causes;	a. The research study undertaken in 2019 / 20 attributed the delayed payments to various issues as indicated in 3b above such as deviations from procurement plans, no discipline in complying with spending and budget limits. b. The measures that have been implement include the intervention through Section 18 of the PFMA

QUESTION	RESPONSE
	whereby OTP and PT are working together with Health to address the challenges. Further provincial treasury holds creditor payments forums with departments to address non-payment. In addition, monthly reports are shared with NT on the 15th of every month around payment of creditors to enforce discipline.
5) What (a) impact delayed payments have had on supplier sustainability, including business closures, job losses or withdrawal of services and (b) assessments have been conducted in this regard;	Whilst this cannot be quantified without a proper study undertaken, delayed payments on suppliers have a negative impact on supplier sustainability, including business closures, job losses or withdrawal of services. Hence, ongoing efforts by Provincial Government to ensure payment of suppliers within 30 days which is reflecting some positive outcomes other than DOH and DOT.
6) What (a) interventions has Office implemented towards protecting small and emerging suppliers from the effects of late payment and (b) outcomes have been recorded in this regard;	(a) The Provincial Government, through the Office of the Premier and Provincial Treasury, continues to implement monitoring, support and corrective measures to protect suppliers, including small and emerging suppliers, from the adverse effects of late payment. These interventions include monthly monitoring of departmental compliance with the 30-day payment requirement, extraction and analysis of BAS reports, convening creditor payment forums with departments, and requiring departments to account for unpaid invoices and implement corrective actions. Provincial Treasury also provides SCM and financial management support to departments to address administrative bottlenecks such as delays in invoice processing, confirmation of goods and services, procurement planning

QUESTION	RESPONSE
	weaknesses, inactive supplier banking details and poor invoice tracking. Where non-compliance persists, matters are escalated through the accountability model, including escalation to Accounting Officers, Executive Authorities and relevant governance structures. (b) These interventions have improved visibility and accountability regarding unpaid invoices and have enabled targeted follow-up with non-compliant departments. As at March 2026, BAS reports indicated that only the Departments of Health and Transport were not paying within 30 days, which suggests that the majority of provincial departments were complying with the 30-day payment requirement. However, the specific impact on small and emerging suppliers is not currently disaggregated across all departments, and departments have been requested to provide further supplier-level information where applicable.
7) What (a) mechanisms has his Office put in place towards prioritising payment to vulnerable suppliers and (b) compliance is monitored across departments;	The mechanisms in place include the use of age analysis reports to identify invoices outstanding for more than 30 days, monthly creditor payment monitoring, creditor payment forums, and escalation of persistent non-compliance through the PFMA and Financial Management Accountability Framework. Departments are expected to prioritise older invoices, invoices affecting small and emerging suppliers, and payments where non-payment may negatively affect service delivery or supplier sustainability. Provincial Treasury also engages departments to address the root causes of delayed

QUESTION	RESPONSE
	payments, including cash-flow challenges, procurement planning weaknesses, delays in certifying goods and services, and administrative failures in invoice processing. (b) Compliance is monitored through monthly BAS-extracted reports, departmental creditor payment reports, engagements with departments through creditor payment forums, and monthly reporting to National Treasury. Where departments fail to comply, they are required to provide reasons for non-compliance and implement time-bound remedial actions. Persistent non-compliance is escalated through the relevant governance and accountability structures, including the Office of the Premier, Provincial Treasury, Executive Authorities and EXCO where necessary. Particular attention is given to departments with recurring challenges, especially the Department of Health and Department of Transport.
8) What (a) steps has his Office taken towards ensuring that accruals do not continue to accumulate as a result of delayed payments and (b) timelines have been set to normalise payment cycles across departments?	Where non-compliance is identified, the following consequence management measures are applied in line with the Public Finance Management Act (PFMA) and the Financial Management Accountability Framework (FMAF): • Accounting Officers are required to account for deviations and submit time-bound remedial action plans.

QUESTION	RESPONSE
	• Persistent non-compliance is escalated through governance structures, including EXCO and the Office of the Premier; • Financial misconduct processes may be instituted where negligence or failure to comply with financial prescripts is identified. • Performance management mechanisms are utilized to ensure accountability at senior management level. Particular attention is given to departments with sustained non-compliance, especially where delays are systemic and have a material impact on suppliers, with consequence management being actively enforced and monitored to ensure corrective action.