2025/26

National Treasury

# ANNUAL REPORT

## Vote 8

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002
Tel: +27 12 315 5944 | Fax: +27 12 406 5095
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2025/26

National Treasury

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## PART A
## GENERAL INFORMATION

# DEPARTMENT GENERAL INFORMATION 01

| | |
|---|---|
| **DEPARTMENT** | National Treasury |
| **PHYSICAL ADDRESS** | 40 Church Square, Pretoria, 0002 |
| **POSTAL ADDRESS** | Private Bag X115, Pretoria, 0001 |
| **TELEPHONE NUMBER/S** | +27(0) 12 315 5944 |
| **FAX NUMBER** | +27(0) 12 406 5095 |
| **EMAIL** | media@treasury.gov.za |
| **WEBSITE** | www.treasury.gov.za |
| **ISBN** | 978-0-621-52415-4 |

# 02 LIST OF ABBREVIATIONS/ ACRONYMS

| | |
|---|---|
| ADF | African Development Fund |
| AfDB | African Development Bank |
| AFS | Annual financial statements |
| AGSA | Auditor-General South Africa |
| ALM | Asset and Liability Management |
| AO | Accounting officer |
| APP | Annual performance plan |
| APR | Annual performance report |
| ASB | Accounting Standards Board |
| AU | African Union |
| B-BBEE | Broad-based black economic empowerment |
| BFI | Budget Facility for Infrastructure |
| BMA | Border Management Authority |
| BRICS | Brazil, Russia, India, China and South Africa group of countries |
| CBDA | Cooperative Banks Development Agency |
| CBI | Cooperative banking institution |
| CMA | Common Monetary Area |
| CoGTA | Cooperative Governance and Traditional Affairs |
| CPI | Consumer price index |
| CPO | Chief Procurement Office |
| CSD | Central Supplier Database |
| CSIR | Council for Scientific and Industrial Research |
| DBSA | Development Bank of Southern Africa |
| DCoG | Department of Cooperative Governance |
| DG | Director-general |
| DoRA | Division of Revenue Act |

# LIST OF ABBREVIATIONS/ ACRONYMS 02

| | |
|---|---|
| DPSA | Department of Public Service and Administration |
| DTIC | Department of Trade, Industry and Competition |
| DWS | Department of Water and Sanitation |
| ENE | Estimates of National Expenditure |
| EPWP | Expanded public works programme |
| ERM | Enterprise Risk Management |
| EU | European Union |
| EXCO | Executive committee |
| F15 | Committee of 15 Finance Ministers |
| FAIS | Financial Advisory and Intermediary Services |
| FAQs | Frequently asked questions |
| FASSET | Finance and Accounting Services Sector Education and Training Authority |
| FATF | Financial Action Task Force |
| FFC | Financial and Fiscal Commission |
| FIC | Financial Intelligence Centre |
| FICA | Financial Intelligence Centre Act (2001) |
| FRAC | Finance, Risk and Audit Committee |
| FSCA | Financial Sector Conduct Authority |
| G20 | Group of Twenty |
| GBVF | Gender-based violence and femicide |
| GDP | Gross domestic product |
| GEMS | Government Employees Medical Scheme |
| GEPF | Government Employees Pension Fund |
| GFECRA | Gold and foreign exchange contingency reserve account |
| GIZ | German Development Cooperation |

# 02 LIST OF ABBREVIATIONS/ ACRONYMS

| | |
|---|---|
| GNU | Government of national unity |
| GPAA | Government Pensions Administration Agency |
| GRAP | Generally recognised accounting practice |
| GTAC | Government Technical Advisory Centre |
| HIV | Human immunodeficiency virus |
| HOA | Homeowners allowance |
| HR | Human resources |
| HRM | Human Resource Management |
| ICT | Information and Communication Technology |
| IDA | International Development Association |
| IGR | Intergovernmental Relations |
| IMF | International Monetary Fund |
| IOD | Injury on duty |
| IRBA | Independent Regulatory Board for Auditors |
| Land Bank | Land and Agricultural Development Bank of South Africa |
| LOGIS | Logistical information system |
| MCS | Modified cash standards |
| MFMA | Municipal Finance Management Act (2002) |
| MINCOMBUD | Ministers' Committee on the Budget |
| MOU | Memorandum of understanding |
| mSCOA | Municipal Standard Chart of Accounts |
| MTBPS | Medium-term Budget Policy Statement |
| MTEC | Medium-term Expenditure Committee |
| MTEF | Medium-term expenditure framework |
| MTDP | Medium-term development plan |

# LIST OF ABBREVIATIONS/ ACRONYMS 02

| | |
|---|---|
| MTSF | Medium Term Strategic Framework |
| NCOP | National Council of Provinces |
| NDP | National Development Plan |
| NFO | National Financial Ombud |
| NPA | National Prosecuting Authority |
| NT | National Treasury |
| OAG | Office of the Accountant-General |
| OCPO | Office of the Chief Procurement Officer |
| ODA | Official development assistance |
| OECD | Organisation for Economic Cooperation and Development |
| OPFA | Office of the Pension Funds Adjudicator |
| OTO | Office of the Tax Ombud |
| PAIA | Promotion of Access to Information Act (2000) |
| PBO | Parliamentary Budgeting Office |
| PERSAL | Personnel and salary administration system |
| PFMA | Public Finance Management Act (1999) |
| PIC | Public Investment Corporation |
| PINK | Procurement, infrastructure management and knowledge management capacity-building programme |
| PMDS | Performance management and development system |
| POPIA | Protection of Personal Information Act (2023) |
| PPP | Public-private partnership |
| PSIRA | Private Security Industry Regulatory Authority |
| RDP | Reconstruction and development programme |
| RMC | Risk Management Committee |
| S&P | Standard and Poor Global Ratings Agency |

# 02 LIST OF ABBREVIATIONS/ ACRONYMS

| | |
|---|---|
| SACU | Southern African Customs Union |
| SADC | Southern African Development Community |
| SALGA | South African Local Government Association |
| SANRAL | South African National Roads Agency |
| SAPS | South African Police Service |
| SARB | South African Reserve Bank |
| SARS | South African Revenue Service |
| SASRIA | South African Special Risks Insurance Association |
| SA-TIED | Southern Africa – Towards Inclusive Economic Development |
| SCM | Supply chain management |
| SCOA | Standard Chart of Accounts |
| SCoA | Standing Committee on Appropriations |
| SCoF | Standing Committee on Finance |
| SCOPA | Standing Committee on Public Accounts |
| SDRs | Special drawing rights |
| SECO | Swiss State Secretariat for Economic Development |
| SEDA | Small Enterprise Development Agency |
| SEDFA | Small Enterprise Development and Finance Agency |
| SEFA | Small Enterprise Finance Agency |
| SEZ | Special economic zone |
| SITA | State Information Technology Agency |
| SLA | Service-level agreement |
| SMMEs | Small, medium and micro enterprises |
| SMS | Senior management service |
| SOC | State-owned company |

# LIST OF ABBREVIATIONS/ ACRONYMS 02

| | |
|---|---|
| SOE | State-owned entity |
| TA | Technical adviser |
| TAA | Tax Administration Act (2011) |
| TALAB | 2024 Tax Administration Laws Amendment Bill |
| TB | Tuberculosis |
| TCTA | Trans-Caledon Tunnel Authority |
| UIF | Unemployment Insurance Fund |
| UN | United Nations |
| VPN | Virtual private network |
| WBG | World Bank Group |

**2025/26**
National Treasury

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PART A
## GENERAL INFORMATION

FOREWORD **BY THE MINISTER**

Government made strides in 2025/26 towards improving the living standards of South Africans. As the global economic outlook remains challenging, government continues to implement its balanced fiscal strategy to protect the social wage, fast-track economic growth through reform, build state capacity and decisively shift the composition of spending to infrastructure investment.

This strategic approach is aimed at ensuring that the country delivers the benefits and services that support inclusive growth and improve livelihoods. Government has backed this commitment through an allocation of R1 trillion for investment in public sector infrastructure. This will enable the construction of new roads and rail, energy and water infrastructure, which form part of government's objective to improve prospects for economic growth and access to basic services.

South Africa's economic recovery is gaining traction, with real GDP growing by 1.1 per cent in 2025 compared to 0.5 per cent in 2024. The economic strategy focuses on maintaining macroeconomic stability to reduce living costs and grow investment, executing reforms to promote a more dynamic economy, building state capacity in core functions, and supporting investment in growth-enhancing public infrastructure.

Government achieved several capstone fiscal outcomes in 2025/26. Public debt as a share of GDP stabilised and is expected to decline. This achievement will enable government to protect funding for key public services. Another milestone is that government has consistently run a primary surplus, where revenue exceeds non-interest expenditure, since 2023/24. The primary surplus is expected to grow over the medium term, ensuring that debt and debt-service costs decrease as a share of GDP.

Critical structural reforms are part of government's strategic pillars in building a solid foundation for the country's future. These include transformational changes to facilitate investment in critical infrastructure through public-private partnerships. Progress has been made in areas such as electricity, freight, water, tourism and transport. Sustained progress in implementing the reform agenda will help crowd in investment, accelerate economic growth and generate much-needed employment opportunities.

The successful transition to a government of national unity has been a learning opportunity for government. The National Treasury remains dedicated to maintaining a budget process that ensures transparency, accountability and adherence to its constitutional obligations.

## ECONOMIC POLICY

Maintaining macroeconomic stability is a crucial part of sustained growth and investment. As Minister of Finance, I made an announcement to lower the inflation target to 3 per cent, with a 1 percentage point tolerance band, which is expected to anchor inflation expectations reduce inflation over time. Lower and more stable inflation will support real household incomes and

consumer spending, while reducing borrowing costs and strengthening the environment for longer-term investment and growth. This has supported confidence, reflected in improved sovereign credit ratings. For instance, S&P Global Ratings agency upgraded South Africa from BB- to BB in November 2025 and affirmed the credit rating and retained a positive outlook in May 2026. Fitch Ratings upgraded South Africa's long-term foreign and local currency credit ratings to BB from BB- in June 2026.

Significant progress has been made in reforming the electricity sector to meet current and future demand. Since the 2025 Medium-term Budget Policy Statement (MTBPS), the National Energy Regulator of South Africa has approved the national Transmission Company of South Africa's market licence, marking a key step towards a more competitive electricity market. Progress has been made with Transnet, which has been able to increase freight volumes. There has been an uptick in tourism, resulting in more tourism, contributing an estimated 3 000 jobs.

Phase II of Operation Vulindlela is prioritising reforms to arrest and reverse deterioration in local government that dampen economic activity and affect citizens daily. Reforms under way include shifting to a utility model for water and electricity services, and reforms in metro trading services having commenced. To date, government has allocated performance-based grants to seven qualifying municipalities to strengthen management accountability, financial transparency, cash flows and infrastructure maintenance in water, sanitation and electricity services.

## FISCAL POLICY

The benefits of the fiscal strategy are becoming increasingly evident. Consecutive primary surpluses, where revenue exceeds non-interest expenditure, mean that debt as a share of economic output declines over the long-term and leads to a reduction in the cost of debt. Lower debt-service costs create the fiscal space necessary to sustain the social wage and reinforce confidence among South Africa's citizens and investors.

The department's targeted and responsible savings initiative has identified R12 billion in savings over the 2026 medium-term expenditure framework (MTEF) period. This is part of a series of efforts to rationalise state operations, improve the effectiveness of service delivery, eliminate waste, address underperformance and reduce duplication.

Government has consulted widely on the fiscal anchor reform with academia, civil society organisations and market economists. In 2026/27, government will propose a fiscal anchor based on principles rather than on numerical rules. The anchor will require each new administration to table a medium-term plan to maintain fiscal sustainability – an essential element in the provision of health, education, water, shelter and other socioeconomic rights in line with the Constitution.

## STRENGTHENING COMPLIANCE IN SOCIAL GRANTS

The allocation to the South African Social Security Agency for 2025/26, was made conditional on the agency improving its biometric and income verification processes, undertaking more frequent eligibility reviews for social grants, and implementing other measures to tighten compliance.

By December 2025, the agency had verified millions of beneficiary and credit records, identifying more than 290 000 grants for review. This led to adjusted payments and the cancellation of more than 34 000 grants, generating an expected saving of R170.7 million by the end of the fiscal year. The agency has rolled out biometric verification for all new applicants to strengthen beneficiary authentication. It will intensify efforts to combat fraud and corruption while ensuring that legitimate beneficiaries remain protected.

## BUDGET FACILITY FOR INFRASTRUCTURE

The budget facility for infrastructure (BFI) reconfigured in 2025 to operate through quarterly submission windows, replacing the previous annual cycle. All BFI-approved projects are subject to stringent conditions aimed at ensuring effective and efficient delivery, including the reinforcement of sound project management practices, robust governance arrangements, and disciplined financial management to safeguard value for money and enhance the credibility of the project portfolio. During the first three submission windows of 2025/26, 42 projects with a combined capital value of R438.8 billion were submitted. Of these, 10 projects were accepted into the pipeline and the remainder were either referred to preparation facilities for further development or returned to project sponsors for reconsideration.

## PREPARING FOR THE 2026/27 FINANCIAL ACTION TASK FORCE MUTUAL EVALUATION

South Africa exited the Financial Action Task Force (FATF) grey list in October 2025. Government has begun preparing for the next round of assessments, from mid-2026 to October 2027. South Africa will draw from the lessons learnt from the previous FATF mutual evaluation and the process that enabled the country to exit the grey list to strengthen the effectiveness of its systems to fight money laundering and terrorism financing while recognising ongoing challenges. Keeping South Africa off the grey list remains a critical policy priority, given the broader implications for financial stability and economic performance. Strengthening the effectiveness of the country's anti-money laundering and counter-terrorism financing framework is essential for mitigating the risk

of the financial system being exploited for illicit purposes. The mutual evaluation will place particular emphasis on the practical effectiveness of South Africa's regulatory and institutional measures in detecting, preventing and addressing such activities. Alignment with internationally recognised standards serves as a key benchmark of the country's commitment to combating financial crimes and reinforcing the integrity of its financial system.

## BUILDING A CLIMATE-RESISTANT FINANCIAL SECTOR

Included in the broader agenda of South Africa's G20 Presidency, "unlocking the financing potential of carbon markets" was prioritised as a key workstream for 2025, with particular emphasis on the standardisation of carbon credit data. The absence of harmonised data frameworks continues to constrain the ability of carbon credits to operate seamlessly across different market segments and jurisdictions, limiting liquidity and restricting the flow of climate finance to emerging markets and developing economies, including South Africa. In response, the G20 endorsed the common carbon credit data model as a structured approach to the classification, capture and management of carbon credit information over its full life cycle. The model is intended to facilitate improved comparability and interoperability across market infrastructure to support greater transparency and market integrity. The National Treasury, in collaboration with relevant government stakeholders, will undertake a pilot implementation of the model in 2026 within the domestic carbon market.

## CONCLUSION

I would like to extend my sincere appreciation to the Deputy Ministers of Finance, Dr David Masondo and Mr Ashor Sarupen, and the Governor of the Reserve Bank for their continued leadership, guidance and commitment over the past year. I would like to express my gratitude the erstwhile Commissioner of the South African Revenue Service (SARS), Mr Edward Kieswetter, for his tireless service during the year under review and for all his years of service. I would also like to thank the Director-General of the National Treasury, Dr Duncan Pieterse, for his leadership and unwavering commitment to the department's priorities over the past year. The sustained collaboration and strategic direction provided at all levels of government have contributed to the progress we have made and remain vital to maintaining the momentum for the year ahead.

**ENOCH GODONGWANA**
Minister of Finance
**Date:** 28 September 2026

**2025/26**
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PART A
# GENERAL INFORMATION

REPORT OF THE **DEPUTY MINISTER**

# REPORT OF THE DEPUTY MINISTER 04

South Africa operates in an ever-evolving economic environment. The economic framework should prioritise resilience during adverse shocks and enable productivity-driven growth in periods of stability and opportunity. The National Treasury continues to ensure that, through its prudent fiscal and economic policies, the economy can remain robust throughout all economic cycles. The economic and fiscal strategies, combined with structural reforms, are providing a positive outlook for the country, which can be noted in the improved sovereign credit ratings. The improved credit ratings will reduce the country's cost of borrowing, helping to further reduce public debt and debt-service costs as a share of GDP. The National Treasury is working tirelessly to ensure this trend continues.

Operation Vulindlela has made meaningful advancements in various sectors such as electricity, transport, water, telecoms and tourism.

- The National Energy Regulator of South Africa has approved the operating licence of the National Transmission Company of South Africa, providing the necessary step in ensuring a competitive electricity market.
- Four additional electricity generation projects were announced under the seventh bid window of the renewable energy independent power producer programme, adding 890 MW and 3 940 MW to the total bid window. Upon completion, the additional projects will add an estimated R16 billion in investment and more than 4 000 jobs. Construction was completed on five projects under the programme in December 2025 and are now contributing 440 MW to the grid.
- Transnet continues to increase rail freight volumes, reporting that 81.4 million tonnes were transported in the first six months of the financial year compared to 78 million tonnes over the same period in 2024.
- The National Water Resources Infrastructure Agency is set to commence operations in 2026, strengthening maintenance and investment in water infrastructure. Cabinet approved the National Water Amendment Bill in 2025. A national water crisis committee has also been established to centralise the implementation of reforms and improve the reliability of services.
- In the tourism sector, the introduction of the electronic travel authorisation system has enabled online application, biometric capture and real-time approvals. This is expected to further support growth from key tourism markets. The simplified visa system has facilitated travel of almost 40 000 visitors from China and India – contributing an estimated 3 000 jobs.

The effective implementation of reforms depends on a capable state. Phase II of Operation Vulindlela is prioritising reforms to arrest and reverse deterioration in local government that sap economic activity and affect millions of people daily.

The preliminary main budget deficit outcome for 2025/26 was 4.3 per cent of GDP, R18 billion lower than the 2026 Budget estimates. This improvement is attributed to better-than-expected collections in revenue and reduced expenditure. The preliminary outcome for main budget

revenue reached R1.99 trillion, R16.1 billion above 2026 Budget estimates. The main budget expenditure preliminary outcome amounted to R2.3 trillion, R1.9 billion lower than the 2026 Budget estimates. This is encouraging because much of this can be attributed to the lower-than-expected spending on debt-service costs by R2.7 billion, leading to greater investor confidence as a result of disciplined macroeconomic management.

Government is committed to reducing poverty and inequality. In 2025/26, spending on the social wage accounted for 59.8 per cent of consolidated non-interest spending. This spending was on education, skills development and public employment; the provision of housing, public transport and free basic services; and health care. Sustaining the social wage will require a concerted effort to strengthen public finances, reduce debt-service costs and grow the economy.

To better harness the benefits of the stablecoins while managing risk, many G20 jurisdictions undertook regulatory work in 2025/26. South Africa's intergovernmental fintech working group continues its work on an appropriate regulatory framework for stablecoins. The working group published the landscape diagnostic study on rand-pegged stablecoins in March 2025. The current focus is on assessing whether existing regulatory frameworks apply to rand-pegged stablecoin arrangements, and assessing the policy implications of stablecoins pegged to foreign currency, with the aim of publishing discussion papers for public consultation in 2026. The working group also finalised a comprehensive cost-benefit analysis that put forward recommendations to guide the implementation of an open finance framework for South Africa. This framework will allow individuals and businesses to safely share their financial data with third-party providers, with their explicit consent, to access better, more competitive and more innovative financial products and services.

In an effort to build a climate-resilient financial sector, the National Treasury published a consultation paper, titled Developing the South African Cabon Credit Market, in October 2025. The paper's recommendations aim to modernise carbon credit infrastructure, clarify legal and financial regulations, and stimulate investment in low-carbon projects. By streamlining administrative processes and strengthening the involvement of financial institutions and regulatory authorities, these reforms seek to establish a robust and credible secondary carbon market. Proposed amendments to the carbon market framework are expected in 2026.

The National Treasury is set to publish revisions to the exchange control regulations under the Currency and Exchanges Act (1993), bringing crypto assets within the scope of capital flow management. This initiative aligns with the Financial Sector Conduct Authority's designation of crypto assets as financial products under the Financial Advisory and Intermediary Services Act (2002), effective October 2022. Complementary action by the Financial Intelligence Centre in 2025 classified crypto asset service providers as accountable institutions, subjecting them to registration, reporting and enforcement requirements.

# REPORT OF THE DEPUTY MINISTER 04

I would like to express my gratitude and appreciation to the Director-General and the staff of the National Treasury for their unwavering commitment and efforts over the past year. Your contributions have laid a strong foundation for continued progress for the year ahead. I would also like to thank the Minister of Finance for his steadfast leadership and strategic direction.

**DR DAVID MASONDO**
Deputy Minister of Finance
**Date:** 29 September 2026

**2025/26**
National Treasury

# ANNUAL REPORT

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PART A
# GENERAL INFORMATION

REPORT OF THE **DEPUTY MINISTER**

# REPORT OF THE DEPUTY MINISTER 05

The past year has been challenging as global risks have materialised. This is the context in which the National Treasury has continued to drive economic reforms and responsibly manage public finances. Despite the difficult global environment, the department continued to create the conditions necessary for sustainable growth, investment and job creation, resulting in massive optimism for South Africa as an investment destination after the 2025 MTPBS.

Significant progress was made throughout the year in strengthening South Africa's fiscal position despite economic growth remaining constrained and the intensification of competing demands on public resources. The National Treasury has maintained a prudent and balanced approach to fiscal management. Improvements in revenue collection, stronger expenditure oversight and a continued commitment to fiscal consolidation have contributed to a more stable fiscal outlook, helping to place public finances on a more sustainable path while protecting critical social and developmental priorities.

A particularly important achievement during the year under review was the continued strengthening of the primary fiscal balance. Through a combination of restrained expenditure, improved revenue performance and disciplined fiscal management, government was able to increase the primary surplus, reinforcing confidence in South Africa's fiscal framework. The year under review also highlighted the importance of accelerating structural reforms to support economic growth. South Africa continues to face challenges arising from infrastructure constraints, logistics bottlenecks, skills shortages and a subdued global economic environment. These factors have weighed on economic performance and limited employment growth, and placed pressure on the fiscus. At the same time, the need to expand infrastructure investment, improve public services and support vulnerable households has required difficult choices and careful prioritisation.

In response, the National Treasury has remained committed to reforms that improve the functioning of the economy and support long-term growth. Progress in energy reform, infrastructure delivery, rail and port modernisation, and the expansion of public-private partnerships has begun to create new opportunities for investment and economic participation. The department has also continued to support efforts to strengthen municipal finances and improve accountability in local government, recognising that effective service delivery and economic development depend on capable and financially sustainable institutions at every sphere of government.

Looking ahead, the National Treasury must continue to focus on restoring fiscal sustainability while supporting a more competitive, inclusive and growing economy. This will require maintaining expenditure discipline, improving the efficiency of public spending, strengthening revenue administration and accelerating reforms that remove barriers to growth and investment. Greater emphasis will also be placed on leveraging technology and innovation to improve financial management and enhance the quality of public services.

# 05 REPORT OF THE DEPUTY MINISTER

The challenges facing South Africa cannot be addressed by government alone. Sustainable progress will require a continued focus on our ambitious reform programmes across government to enable greater economic activity. By working together to strengthen institutions, improve governance and unlock economic opportunity, we can build a more prosperous, resilient and inclusive future for all South Africans.

As custodians of the nation's public finances, the National Treasury remains committed to ensuring that every rand entrusted to the state is used responsibly, effectively and in a manner that advances the long-term interests of the people of South Africa. I want to thank the Director-General and the management team for their leadership over the last year. I further want to acknowledge and praise all the Treasury officials for their dedication and service which has always been and continues to be exemplary.

ASARUPEN

**ASHOR SARUPEN**
Deputy Minister of Finance
**Date:** 25 September 2026

# 2025/26
## National Treasury
# ANNUAL REPORT
## Vote 8

2025/26
National Treasury

# ANNUAL REPORT

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# PART A
# GENERAL INFORMATION

REPORT OF THE **ACCOUNTING OFFICER**

## 6.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

This Annual Report is presented at a significant moment in South Africa's democratic journey. As we commemorate seminal milestones in our history, including the 70th anniversary of the Women's March of 1956, the 50th anniversary of the Soweto Youth Uprising of 1976, and 30 years since the adoption of the democratic Constitution in 1996, we are reminded of the resilience, courage and vision that have shaped our nation.

At the same time, we find ourselves at a pivotal juncture. While South Africa continues to make steady progress in advancing its developmental objectives, the global environment has become increasingly complex and uncertain, characterised by heightened geopolitical tensions and economic volatility. Against this backdrop, predicting the future with certainty is challenging underscoring the importance of strong institutions, sound governance and a steadfast commitment to inclusive economic growth and sustainable development.

It is for this reason that the delivery on the National Treasury's ambitious plan for 2025/26 took on a greater significance as the need to address pervasive poverty, unemployment and increasing inequality has added urgency to the work that National Treasury has done to support accelerating economic growth. To this end the department achieved 94% of our Annual Performance Plan indicators and maintained an unqualified audit with no material findings for the financial year 2025/26.

South Africa's economy showed modest improvement during 2025/26, with GDP growth increasing to 1.1 per cent in 2025 from 0.5 per cent in 2024, although this remained below expectations and insufficient to meaningfully reduce unemployment or raise living standards. The global economic environment was disrupted by significant changes in United States trade policy, including the introduction of tariffs on South African exports with some exemptions, which negatively affected agricultural exports and contributed to broader global trade uncertainty.

Domestically, structural constraints continued to shape the operating environment, though there were signs of gradual improvement. Load-shedding was suspended from May 2025, freight rail performance stabilised, and major infrastructure reforms advanced, including private-sector participation in ports and rail. However, persistent challenges in logistics, municipal service delivery and high energy costs continued to constrain investment and growth.

Macroeconomic conditions improved. The Minister of Finance announced a new, lower inflation target of 3 per cent with a 1 percentage point tolerance band, which was expected to anchor inflation expectations at a lower level and reduce inflation over time. By the end of 2025, SARB had reduced its policy rate to 6.75 per cent, and South Africa had received its first sovereign credit rating upgrade from a major agency in 16 years, reflecting improved investor confidence.

# 06 REPORT OF THE ACCOUNTING OFFICER

Fiscal consolidation continued, with the consolidated budget deficit narrowing to 4.5 per cent of GDP and tax revenue outperforming expectations. Government maintained its focus on debt stabilisation, infrastructure investment and expenditure efficiency, while preserving a primary budget surplus. South Africa also achieved an important institutional milestone through its removal from the FATF greylist, strengthening investor confidence and reducing perceptions of regulatory risk.

Despite these gains, labour market conditions remained fragile. Unemployment increased to 32.7 per cent in the first quarter of 2026, while youth unemployment reached 60.9 per cent, underscoring the economy's inability to generate sufficient employment opportunities. Government employment programmes continued to provide temporary support to vulnerable households.

South Africa's hosting of the G20 provided a strategic opportunity to advance the country's economic priorities by shaping international policy dialogue, strengthening multilateral cooperation, and mobilising support for sustainable and inclusive growth. The Presidency enabled South Africa to advocate for reforms in the global financial architecture, enhance investment and development partnerships, and promote coordinated responses to structural challenges such as low economic growth, unemployment, inequality, infrastructure constraints and fiscal pressures.

Under the theme "Solidarity, Equality and Sustainability", in partnership with the South African Reserve Bank, the National Treasury led the G20 Finance Track, positioning Africa's development priorities at the centre of global economic and financial discussions. The Presidency delivered a number of landmark outcomes and established a lasting legacy for Africa within the G20. Key achievements included the development of the G20 Africa Engagement Framework, the adoption of the first G20 Ministerial Declaration on Debt Sustainability, the launch of the Ubuntu Legacy Initiative to accelerate cross-border infrastructure development, the establishment of the Africa Expert Panel, and the expansion of the Compact with Africa through the inclusion of Zambia and Angola.

These achievements strengthened Africa's voice in global economic governance, advanced solutions to development financing and debt sustainability challenges, and reinforced South Africa's leadership in promoting a more inclusive, equitable and sustainable international financial architecture. The successful delivery of the Presidency enhanced South Africa's international standing while securing enduring benefits for the continent and developing economies.

The department continued to direct its efforts towards the implementation of the four pillars of the 2025–2030 Strategy: sustainable public finances; sound financial management and controls across the public sector; coherent economic policymaking; and accelerated public infrastructure investment.

During the period under review, the department continued to deliver policy-relevant research and analysis. These included the development and monitoring of the monetary policy framework in support of competitiveness, price stability, economic growth and conducting analysis of global and domestic financial trends.

As part of overseeing and implementing South Africa's macroeconomic policy framework, macroeconomic trends and the policy framework to support sustainable economic growth were analysed and monitored. These included fiscal policy and those related to employment, equality and transformation. Research and analytical support were provided to develop policies to address industrial policy, competition and regulation policy, as well as energy and just transition actions.

The department contributed to trade policy through appraisals of submissions to the International Trade Administration Commission, participation in stakeholder forums, and technical support to task teams and stakeholders. Technical supported was provided to Operation Vulindlela to implement structural reforms particularly in the electricity, water, and logistics sectors. The department also continued its collaboration with SARS and the United Nations University World Institute for Development Economics Research under the Southern Africa – Towards Inclusive Economic Development programmes.

Quarterly economic and revenue forecasts were produced including risk scenarios that highlight the main risks to the baseline macroeconomic forecast. Macroeconomic analysis to support the evaluation of tax and expenditure proposals continued to be provided. Capacity building remained a priority, with extensive training in forecasting and economic policy impact analysis to strengthen institutional capability and ensure business continuity.

The National Treasury's tax policy team, in collaboration with SARS, led the G20 Presidency programme on behalf of government on international taxation, focusing on four priorities namely; taking stock of progress and advancing the two-pillar tax reform, supporting domestic resource mobilisation, addressing inequality and improving tax certainty. The G20 Presidency championed African interests in international taxation by promoting domestic resource mobilization (DRM) and enhancing tax capacity. A side event was additionally held focusing on bridging the tax gap.

Complimenting this work, a number of reports were developed by international agencies including the IMF's background note on enhancing Domestic Resource Mobilisation (DRM) through the strengthening of tax and customs administrations. By securing this benchmark report, National Treasury has provided the G20 with a practical roadmap for bridging the gap between international tax architecture and domestic execution. It demonstrates how global instruments, including the OECD and United Nations Tax Conventions, can be translated into tangible revenue collection and enhanced long-term fiscal resilience for developing countries.

Efforts were intensified by National Treasury, as President of the G20, to close the financing gap for Micro, Small, and Medium Enterprises (MSMEs) in line with the Global Partnership for Financial Inclusion's (GPFI) Action Plan for Micro, Small, and Medium Enterprise Financing. A

Presidential Paper, "G20 Policy Recommendations for Moving from Financial Access to Usage" was published reaffirming the commitment to financial inclusion. Coordinated by the Financial Inclusion Working Group and Financial Inclusion Forum, this work continues by transitioning policy to implementation with the development of South Africa's National Financial Inclusion Strategy.

Ongoing initiatives such as Money Smart Week South Africa continued to strengthen consumer financial education and financial literacy. In support of fiscal sustainability, tax revenue forecasting for the 2025 MTBPS and the 2026 Budget were revised, tax expenditure estimates updated, and technical tax amendments for future legislative consideration prepared. At the February 2026 Budget Review, revenue for 2025/26 were projected to exceed 2025 Budget estimates by R21.3 billion despite lower-than-expected nominal GDP.

South Africa's anti-money laundering system has been significantly strengthened, culminating in the successful completion of all 22 FATF Action Plan items that resulted in South Africa's removal from the FATF greylist in October 2025. This reflects substantial progress in addressing deficiencies within the country's anti-money laundering and counter-terrorism financing systems.

Further work done has focused on enhancing the competitiveness and resilience of South Africa's financial sector. This included in collaboration with the SARB, the Prudential Authority and FSCA continuing the process of drafting the Financial Markets Amendment Bill which proposes revisions to the Financial Markets Act (2012). Also working with the SARB the process of developing a new Capital Flows Management Framework continued which seeks to modernise South Africa' approach to managing cross-border capital flows. In this regard the drafting of the Capital Flow Management Regulations was finalised which aims to replace the Exchange Control Regulations of 1961. Through modernisation of the South Africa's regulatory framework for cross-border financial flows the country's ability to become a premier and attractive destination for foreign direct investment will be improved, thereby stimulating economic growth and integrating the country more effectively into the global financial system.

In addition, public consultations on the alcohol tax review process commenced, seeking to develop an appropriate excise policy framework that will raise revenue, make alcohol less affordable over time and reduce consumption and related harm. A national online gambling tax discussion paper was released for public comments that proposes a 20 per cent tax on gross gambling revenue on online gambling operators in response to the rapid growth of this sector while addressing associated broader social and public policy concerns. The department continued to play a central role in promoting fiscal sustainability, strengthening public finance management, and supporting government's strategic priorities through sound fiscal policy advice, budget planning, infrastructure financing reforms, public sector remuneration analysis, and the effective coordination of development cooperation.

Stakeholder consultations were held on fiscal anchors marking the first phase of a broader consultation process intended to strengthen the sustainability, credibility and transparency of South Africa's fiscal framework, while incorporating diverse technical perspectives.

Significant progress was made in infrastructure financing and public-private partnership (PPP) reform. Major PPP projects progressed notably with the approval to proceed to procurement for the National Archives and the accommodation precinct for the Council for Scientific and Industrial Research. Additionally, phase 2 of the Inkosi Albert Luthuli Central Hospital project successfully concluded procurement and signed an agreement with a new PPP partner. Other projects that received approvals and/or views and recommendations include the Gautrain Post-2026 project, Suikerbosrand Nature Reserve, the City of Johannesburg Waste-to-Energy project, the City of Cape Town's Faure New Water Scheme and Desalination Plant, and the iSimangaliso Wetland Park Cape Vidal Resort. These projects reflect a diversified and maturing PPP pipeline across key sectors.

In terms of regulatory reform for PPPs, that strengthened regulatory clarity, governance and fiscal risk management, amendments were drafted to National Treasury Regulation 16 and Municipal PPP Regulation 309. To support the implementation of these changes, guidelines were developed for fiscal commitments and contingent liabilities, as well as for unsolicited bid proposals. The Budget Facility for Infrastructure (BFI) underwent substantial reform to improve its effectiveness and responsiveness. The facility received 51 project submissions valued at R474.3 billion, admitting 13 projects into the pipeline and approving six for fiscal support. These included strategic rail, port, wastewater and scientific infrastructure projects. The Infrastructure Fund continued to mobilise blended finance for infrastructure delivery, supporting 26 projects valued at a combined R130.8 billion since inception and leveraging significant private-sector investment. As part of broader institutional reforms, the Fund was consolidated into the Infrastructure Finance and Implementation Support Agency (IFISA).

Key budget reforms included pilots for gender-responsive budgeting, climate budget tagging and science-related expenditure tracking, while transparency continued to be enhanced through the Vulekamali portal and stakeholder engagement initiatives. During the reporting period, further enhancements were made to dashboard reporting environments used for in-year monitoring and quarterly reporting, improving accessibility, expenditure analysis and reporting capabilities

Official development assistance was coordinated with the alignment between external development support and national priorities further strengthened. Particular attention was given to blended finance approaches, climate finance and concessional funding mechanisms. During the reporting period, South Africa continued to strengthen partnerships supporting the Just Energy Transition programme, which is expected to mobilise substantial concessional financing and technical support over the medium term.

A major milestone was achieved with the drafting and implementation of the incentivised early retirement programme, as a strategic intervention to manage the public sector headcount and

reduce long-term wage pressurisers. During 2025/26, the department continued to coordinate fiscal and financial relations across the national, provincial and local spheres of government, overseeing the allocation of R944.6 billion, representing 50.8 per cent of non-interest expenditure, to support key service delivery priorities in provinces and municipalities including education, health care and free basic services.

The Division of Revenue process continued to be managed, including the implementation of the 2025 Division of Revenue Act and associated adjustments, with additional allocations made to provinces to support the implementation of the public service wage agreement, the continuation of the teacher assistants programme and further expansion of early childhood development services and the reconstruction and rehabilitation of provincial infrastructure damaged by disasters.

In addition to several reprioritisations in grants related to agriculture, health and roads structural changes were introduced to the Department of Public Works and Infrastructure, conditional grants through the merger of the Expanded Public Works Programme Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces , R1 billion was added to the Education Infrastructure Grant for the Western Cape Rapid Schools Build Programme through the Budget Facility for Infrastructure and R858 million was added to the national health insurance indirect grant for Siloam District Hospital in Limpopo.

Several changes were made to local government transfers to improve the effectiveness of municipal infrastructure and service delivery grants. This included reprioritisation from the Public Transport Network Grant to extend support to the taxi industry, from the Integrated National Electrification Programme Grant to support the completion of the National Electrification Master Plan, conversion of R494 million from the direct component of the Municipal Infrastructure Grant to the indirect component to address wastewater infrastructure challenges in 21 municipalities; and the introduction of the Urban Development Financing Grant through the consolidation of the metro component of the Neighbourhood Development Partnership Grant and a portion of the Programme and Project Preparation Support Grant. The non-metro component of the Neighbourhood Development Partnership Grant and the remaining portion of the Programme and Project Preparation Support Grant were consolidated into a single grant.

The Review of the Local Government Fiscal Framework is on-going with the finalisation of both the Inception report and the Methodology report and the near finalisation of the Expenditure report.

The department also advanced legislative and policy reforms to improve municipal infrastructure financing, including the Municipal Fiscal Powers and Functions Amendment Act (2024) aimed at regulating how development charges are levied. To ensure its effective implementation, draft development charges have been developed and are being consulted on. The updated municipal borrowing policy framework complements the use of development charges as a means for financing infrastructure. Long-term strategies to implement the updated framework, with some

short-term and medium-term interventions, include capacity-building and stakeholder support were provided to enable municipalities to produce pipelines of bankable projects and access financing

The department played a central role in supporting municipal infrastructure development, fiscal sustainability and service delivery. Through initiatives such as the Metro Trading Services Reform Programme, Cities Support Programme, Neighbourhood Development Partnership Programme and Urban Development Financing Grant, support was provided to metros, intermediate cities and rural municipalities to improve infrastructure planning, financial management, climate resilience, economic development and municipal service delivery. The department continued to provide support to metros for selected projects in the areas of climate resilience and sustainable services, economic development, human settlements, public transport, infrastructure planning, and fiscal reforms.

The Metro Trading Services Reform progressed from design to implementation, securing broad government support and advancing performance improvement initiatives across participating metros. The first independent verification of metro performance has been completed with all metros in the first cohort of the reform having council-adoptions of the eight minimum accountability commitments thus enabling their incentive allocation through the adjustments budget. Metro's were invited to develop draft Performance Improvement Action Plans (PIAPs) for these trading services. Technical assistance for the metros on MTS continued with support provided on financial modelling for water, sanitation and electricity services and conditional assessments were completed for 38 wastewater treatment works in selected cities.

Cities' Infrastructure Delivery and Management System (CIDMS) training was provided, with the City Creditworthiness Academy (MCLP), 13 secondary cities were trained to evaluate financial constraints, improve creditworthiness, and design action plans and the Land Value Capture initiative transitioned to technical support on implementation of LVC related tools. The City Economic Outlook (CEO) was completed, version 6 of the Spatial Tax Panel (STP) was released, and the MzansiXchange Pilot was launched. Work on Disaster Risk Financing support continued, with the production of a Municipal Insurance Guidelines. OV2 reforms were supported in the areas of Titling Restoration Support and the Inner-city low-cost housing reform programme.

The Neighbourhood Development Partnership Programme continues to support municipalities in responding to socio-economic redevelopment challenges in South Africa's cities and rural towns. Several significant changes were affected to grants managed by the NDPP over the past year with new grants being introduced, others consolidated, restructured or discontinued to ensure more effective grant management, with a specific focus on infrastructure development and sustainable city and rural improvements.

Twenty-eight catalytic projects component were approved. Under the PPPS component, a total of 8 metro work plans were approved following assessments, with 66 projects approved in total. Eight (8) PEP business plans, with detailed implementation plans, were evaluated and funding

was approved for 60 projects. This resulted in the creation of an estimated 13 681 jobs in 2025/26, noting that the municipal financial year ends in June and that these figures are therefore not yet final. The PEP will be discontinued in the 2025/26 municipal financial year, and processes have been undertaken to confirm the phasing-out process to help support the sustainability of some, or all, of the components introduced through the grant.

In terms of the NDPG, 14 catalytic projects in 4 ICMs and rural towns under the NDP-CG component for ICMs and rural municipalities were approved. Noting that approvals slowed down given the phasing out of new project approvals for ICMs and rural towns. Similarly technical assistance funding for the NDPG is being phased out in 2025/26 for ICMs and rural towns however 3 investment plans were finalised for KSD and Drakenstein Municipalities, while 1 project preparation pre-feasibility study was completed for Msunduzi Municipality. Under the PPPS component of the NDPG, a total of 10 ICM work plans were approved following assessments, with 33 projects approved in total.

A new agency has been established within National Treasury, the Infrastructure Finance and Implementation Support Agency (IFISA), to improve infrastructure delivery. It will assist with preparing and structuring a stronger pipeline of bankable infrastructure projects, support implementation, improve quality assurance, and crowd in private sector funding so that projects can move more efficiently towards financial close, and delivery.

In local government finance, the department managed transfers of R171.7 billion to municipalities, including equitable share allocations, conditional grants and disaster response funding. It undertook adjustments to address municipal underperformance, disaster recovery needs and infrastructure priorities, while strengthening oversight through budget assessments, performance monitoring and grant reallocation mechanisms. The department also maintained formal engagements with municipalities to assess budget credibility, support financial sustainability and improve governance and accountability.

A total allocation of R2.2 billion was made to support the reconstruction and rehabilitation of municipal infrastructure damaged by the floods and storm surges that affected the Eastern Cape, KwaZulu Natal, Limpopo, Mpumalanga and North West provinces between March and June 2025.

During 2025/26, further adjustments were made in line with sections 18 and 19 of the Division of Revenue Act, as amended, by implementing the stopping of allocations against slow-spending municipalities and reallocating most of the stopped funds to the better-performing municipalities. Under the Smart Meters Grant (SMG) a total allocation of R650 million was made available to 11 municipalities for the 2025/26 financial year form the original 14 municipalities identified.

A total of 133 municipalities requested rollovers for unspent conditional grants in 2024/25, amounting to R2.5 billion. The National Treasury approved a total rollover amount of R1.5 million, 61.5 per cent of the amount requested. During the finalisation of the rollover and unspent conditional grant process, R1.7 billion was returned or repaid to the National Revenue Fund by

offsetting it against the 2025 local government equitable share. This amount includes repayment arrangements for unspent conditional grants from the previous financial year against municipalities that could not repay their unspent funds.

The department continued to drive reforms aimed at improving municipal financial health and revenue management. This included implementation of the Eskom Debt Relief Programme, development of a water debt relief framework, expansion of the Smart Meter Grant, and deployment of various revenue enhancement tools and monitoring systems. Smart meter installations continued to improve revenue collection, billing accuracy and municipal financial sustainability, while debt relief monitoring and stakeholder engagements promoted improved financial discipline and revenue management practices.

The generic framework for the assessment and analysis of municipal budgets was updated in line with municipal budget and reporting regulations. Guidance was provided to municipalities on preparing their 2025/26 medium-term revenue and expenditure framework budgets through MFMA circulars, numbers 129, 6 December 2024, and 130, 19 March 2025. Budget and benchmark meetings were held with all 17 non-delegated municipalities to assess the funding positions of their 2025/26 budgets. The department also assessed the adopted budgets for 2025/26 and determined that all 17 non-delegated municipalities were funded.

A focus during the period under review was continued support to provincial treasuries and the enhanced implementation of debt relief monitoring. Continued analysis to better understand complexities was undertaken, which provided a fuller perspective of the financial dysfunctionality and systemic challenges than previous desktop analysis. Defaulters that consecutively failed to maintain their Eskom accounts are subject to ongoing stakeholder hearings to strengthen an integrated approach to supporting and enforcing a return to best practice and basic financial management. During this period, the intent to terminate was issued to 13 municipalities that consistently failed to pay Eskom the current account that was due. The issuing of MFMA Circular No. 132 provided the alternative to municipalities who were still struggling under the municipal debt relief. The alternative requires municipalities to undertake a Section 78 of the MSA exercise which culminates into signing a distribution agency agreement.

The Smart Meter Grant is a vital revenue-control intervention designed to modernise consumption measurement, eliminate estimated billing, and strengthen fiscal management in financially exposed municipalities. The programme has progressed from its Phase 1 inception in 2024/25—which deployed 66 599 meters across 7 municipalities—into a Phase 2 expansion in 2025/26 that reached 11 municipalities with 79 607 installations. The grant functions as a targeted financial stabilisation mechanism directly tied to the Eskom Debt Relief Programme. By generating R361.014 million in additional municipal revenue up to 31 March 2026, the Phase 1 deployment achieved an approximate 66 per cent return on investment against its initial allocation. By institutionalising rigorous data reconciliation and enhancing billing accuracy, the Smart Meter Grant protects the municipal revenue base, directly empowering beneficiary local

governments to bridge cash-flow deficits, settle Eskom current accounts timeously, and mitigate post-approval debt growth.

Support to municipalities was further strengthened with various revenue-enhancement tools having been developed during the reporting period. An assessment tool to support the integrated approach to revenue management was issued for use by municipalities and provincial treasuries and debt relief compliance tools were developed to facilitate improved council and stakeholder awareness of collection and incident management. The GoMuni portal was extended to facilitate improved municipal reporting on revenue management-related information.

Through the support of the municipal finance improvement programme, budget and revenue technical advisers and municipal support technical advisers, the department continued to support addressing shortfalls in the municipal revenue value chain.

As part of fostering sustainable financial management, revenue management served as an essential pillar for better service delivery in municipalities. A better understanding of debt relief was fostered through various consultations, particularly on the complexities and systemic challenges in local government. These culminated in the Minister of Finance issuing the debt relief conditions for Eskom in the municipal space and support provided to the Department of Water and Sanitation to develop a debt relief programme for water defaulters.

The LGDRS allows for a single data collection point for all 257 municipalities. This reduces the cost and effort to collect data and eliminates the duplication of efforts for municipalities to submit the same information continuously to several departments. Data was shared with provincial treasuries, SARS, the Reserve bank, STATSSA and SALGA.

The introduction of the Section 71 dashboards continued to advance the objectives of transparency, and accountability within the local government sphere. In addition, the Municipal Money portal provided information about municipal spending to the public, thereby promoting transparency and enabling citizens to hold their municipalities accountable.

Ongoing implementation of the municipal standard chart of accounts (mSCOA) included the release of updated versions, extensive training, oversight support and the integration of compliance requirements into financial management capability assessments. With the support of the Office of the Accountant-General, the National Treasury also issued an updated version of the mSCOA aligned specimen financial statements for 2024/25 to help municipalities prepare their annual financial statements.

A revised approach to the development of financial recovery plans was implemented during the period under review to enable better monitoring and easier implementation of the plans at the municipal level. This included the appointment of a panel of service providers who will assist in the preparation of financial recovery plans. Through the programme, the National Treasury supported six provincial treasuries and 55 targeted municipalities with the implementation of the mSCOA reform.

Through the Municipal Financial Recovery Services function, the department prepared and monitored mandatory financial recovery plans for distressed municipalities, supported constitutional interventions, strengthened oversight arrangements and enhanced coordination with provincial governments. Financial recovery, governance and service delivery challenges continued to be addressed through targeted support, monitoring and technical assistance. This included FRPs prepared, in this reporting period, for Ditsobotla, Matlosana, Matjhabeng and Thabazimbi Local Municipalities. In addition, an assessment was conducted on the financial and governance position of Mahikeng Local Municipality to determine the need for a MFRP and possible intervention measures. All FRPs were developed and finalised within the legislated timeframes as prescribed in the MFMA.

This work was further strengthened a joint circular on Section 139 interventions developed by the National Treasury and the Department of Cooperative Governance and Traditional Affairs to ensure the consistent application of the intervention framework as outlined in the Constitution and relevant national legislative frameworks across all spheres of government.

At provincial level, the department maintained oversight of budget implementation and fiscal performance through quarterly expenditure reporting, budget benchmarking, conditional grant management and revenue monitoring. Provincial budget reviews, infrastructure assessments and capacity-building initiatives strengthened alignment between spending and national priorities, while training programmes improved budgeting and analytical capabilities across provincial governments. Provincial own revenue collections exceeded targets, reflecting continued improvements in revenue management.

The provincial conditional grant rollover process for 2025/26 is currently under way. In the previous financial year (2024/25) an amount of R2.2 billion was approved to be rolled over into the 2025/26 financial year, while only R424 million was surrendered to the National Revenue Fund (NRF). Furthermore, R150 million under the Human Settlements Development Grant was stopped from Gauteng and reallocated to the Eastern Cape (R60 million), Free State (R60 million) and Limpopo (R30 million). The process was finalised and gazetted in line with sections 18 and 19 of the 2025 Division of Revenue Act.

The department led the first-ever Public Expenditure and Financial Accountability (PEFA) self-assessment for KwaZulu-Natal Province. The department also advanced infrastructure delivery reforms through implementation of the Infrastructure Delivery Management System, support for provincial and municipal infrastructure planning, performance-based incentive mechanisms, infrastructure reporting reforms and capacity-building initiatives. These measures are intended to strengthen project planning, procurement, implementation, monitoring and transparency, ultimately improving infrastructure delivery outcomes across government.

A key initiative saw the development of the local government infrastructure delivery management system toolkit, which seeks to customise the system for implementation by local and district municipalities and continue to support municipalities with the implementation of the local

government framework for infrastructure delivery and procurement management. This work was made possible through the partnership between government, represented by the National Treasury, and the government of Switzerland through the Swiss State Secretariat for Economic Affairs. The second initiative is the introduction of a performance-based system for provincial departments of education and health to institutionalise infrastructure delivery management system principles related to planning and delivery. The implementation of the infrastructure delivery management system within these departments should result in better planning, implementation, monitoring, and oversight of infrastructure delivery.

Infrastructure plans for all provincial education and health departments were assessed in collaboration with the national departments of basic education and health. Additionally, a best practice workshop was held to strengthen various sections of planning documents and consultations held with provinces that did not qualify for performance incentive allocations to address specific areas for improvement.

The infrastructure reporting model was rolled out to national departments during the period under review. The model seeks to institutionalise infrastructure reporting by government at the project level. This reform is expected to contribute towards improved infrastructure data in a central repository and lead to greater transparency across government institutions. The department, through the Public Finance division, continued to play a central role in supporting government's fiscal framework by overseeing budget planning and execution across national departments and public entities, providing policy and expenditure analysis, monitoring public spending, and advising on the financial and budgetary aspects of public policy and spending proposal.

In respect of the Administrative Services cluster, funding solutions and budget reprioritisations and rollover processes for departments were supported including National Treasury, GCIS, Statistics South Africa, Public Service and Administration, DIRCO, Public Works and Infrastructure, Parliament, the Presidency and Home Affairs. Also, a key role was played in supporting government priorities, including G20 preparations, Border Management Authority capacitation, Parliament rebuilding, public service professionalisation and the National Dialogue initiative.

Participated in discussions and provided inputs to the Department of Planning, Monitoring and Evaluation on the Public Enterprises Bill. As a follow-up on the outcome of the 2022/23 personnel expenditure review report, encouraged Public Service and Administration to proceed with its project on the review of occupation specific dispensations with the expectation of long-term savings in the budget for compensation of employees and jointly considered savings for government as a whole from an updated review of government spending on ICT and implementation of associated cost containment measures.

Highlighted to Public Works and Infrastructure the importance of increasing budgets for accommodation charges and of getting clients to pay their debt to the Property Management

Trading Entity for the financial viability of the trading entity as well as need to review the Property Management Trading Entity shared-savings water and energy efficient programme due to non-performance. Supported Home Affairs in the provision of the allocation of the additional R1.1 billion to the Independent Electoral Commission for the 2026 local government elections.

In respect of Education and Related Services cluster, provided financial, policy and implementation support to the education, higher education, employment and labour, and sport sectors.

Assisted and advised the basic education sector on developing and implementing a results-based funding initiative to be piloted for early childhood development. As part of supporting the Department of Basic Education, served on the project steering committee that oversaw the implementation of the fifth phase of the presidential youth employment initiative and advised on planning for its subsequent phases. Advised and assisted the department with shifting the school infrastructure backlogs grant into the education infrastructure grant and establishing an enhanced infrastructure planning and support unit at the national level.

The Department of Higher Education and Training was supported on possible student funding initiatives to cater for the “missing middle” and on addressing the slow rollout of infrastructure projects in the post-school sector.

Support was provided to the Department of Employment and Labour by advising on the fifth phase of the presidential youth employment initiative and planning for its subsequent phases. Guidance was given to the Unemployment Insurance Fund on its labour activation programme and education assistants programme. The department was also advised on restructuring the department and unbundling the Unemployment Insurance Fund and Compensation Fund from it.

In respect of the Health and Social Development Cluster critical interventions led to address emerging fiscal pressures, supported long-term expenditure modelling and provided strategic support for social grant reform, social security sustainability assessments and budget reprioritisations to address funding needs.

The Department of Health was supported by undertaking a baseline analysis to assess potential savings in provincial health budgets should the personnel expenditure review recommendations be implemented. Supported the budget facility for infrastructure team in ensuring that the provisional allocation for health infrastructure projects for Tygerberg and Klipfontein hospitals in the Western Cape are confirmed in 2025/26 and 2026/27. Led the emergency funding arrangements to alleviate the impact of the PEPFAR funding withdrawal and the reprioritisation of funds over the 2026 MTEF towards the South African Medical Research Council for research activities following USAID funding withdrawal.

Support was provided to the Department of Social Development by developing a discussion paper providing options for the repurposing of the COVID-19 social relief of distress grant. A detailed baseline analysis was conducted during the 2026 MTEF process to support the identification of efficiency savings in the social grant system. Also led engagements with the World Bank on the research work to assess the affordability of the Social Security System in South Africa.

The Department of Women, Youth and Persons with Disabilities review of their budget programme structure was supported. Guidance was provided on the reprioritisation of funds towards the Commission for Gender Equality to address a funding shortfall resulting from the devolution of functions from the Department of Public Works and Infrastructure (DPWI) as well as the department's business case for additional funding for the operationalisation of the National Council on Gender-Based Violence and Femicide.

The Economic Services cluster supported national economic priorities through budget oversight, policy analysis and expenditure management across agriculture, land reform and rural development, tourism, fisheries forestry and environment, science and innovation, small business development and trade, industry and competition.

Support was provided to the Department of Agriculture for the strategic reprioritisation of funds across programmes to mitigate the impact of the foot-and-mouth disease outbreak and strengthen the country's biosecurity response. Sustained ongoing engagement with the department was held to improve vaccine production capacity, resolve infrastructure challenges, and enhance preparedness for animal health risks, while contributing to Budget Facility for Infrastructure processes and supporting the development of sustainable, long-term financing strategies.

Contributions were made to the interministerial committee on land reform, supporting efforts to accelerate implementation and advance sustainable land reform solutions, including facilitating initiatives to release land to qualifying beneficiaries. Technical guidance was provided to the Department of Land reform and rural Development on governance and financial management matters relating to the Ingonyama Trust Board.

The Department of Forestry, Fisheries and the Environment was supported with the phased-in implementation of the Climate Change Act and providing technical inputs on draft sectoral emissions targets. Climate financing and fiscal reform was advanced by contributing to the design of the Climate Change Response Fund and supporting the second phase of Climate Budget Tagging (CBT), including analyst training and the establishment of governance structures across sectors. Sustainable economic development was promoted by providing input on the Waste Economy Masterplan. Fiscal oversight and governance were strengthened by reviewing tariff structures (including forestry fees), assessing proposals related to marine resources and harbour permits, and supporting the establishment of the Waste Management Bureau as a public entity. Also enabling internal reprioritisation to support post-disaster recovery efforts in SANBI, iSimangaliso and SANParks.

Coordination of public research and development funding was strengthened by participating in engagements with the Department of Science, Technology and Innovation on the budget tagging process for the science, technology and innovation sector. Funding support for strategic infrastructure projects was secured by assisting the department in accessing resources for the Square Kilometer Array and digital land infrastructure through the Budget Facility for Infrastructure process.

The Department of Small Business Development was supported by facilitating the establishment of a new budget transfer line following the merger of SEDA, SEFA and CBDA into the Small Enterprise Development Finance Agency, ensuring continuity of funding flows and alignment with the revised institutional framework.

The Department of Tourism by facilitating the establishment and prioritisation of a new transfer line for the Tourism Transformation Council, ensuring adequate medium-term funding support. Continuing oversight of the Tourism Equity Fund was provided to enhance accountability, track performance against objectives, and support inclusive transformation within the tourism sector.

As part of the support provided to the Department of Trade, Industry and Competition contributed to strengthening industrial policy and localisation by participating in the Industrial Participation Control Committee (IPCC), adjudicating National Industrial Participation (NIP) proposals, awarding credits, enforcing compliance through penalties, and providing inputs on the draft National Industrial Policy. Technical input was provided to the World Bank policy review of the Special Economic Zone (SEZ) programme, supporting efforts to reform the model and address structural constraints affecting implementation. Fiscal and budgetary implications and institutional capacity requirements and whole-of-government coordination advice provided on the Cab memo on Ratification of the Protocol on Digital Trade, the National Building Regulations and Building Standards Amendment Bill, 2026. Contributed to ongoing development of the pharmaceutical roadmap and policy deliberations aimed at strengthening security of supply in strategic sectors, including vaccine manufacturing.

# 06 REPORT OF THE ACCOUNTING OFFICER

Government maintained rigorous oversight of its fiscal exposure to state-owned companies. Guarantees issued to Eskom, Transnet, the Trans-Caledon Tunnel Authority, Denel and South African Airways were closely monitored, and quarterly compliance reports were submitted to the Fiscal Liability Committee. During the reporting period, additional guarantees were issued to Denel to support its operational sustainability.

A key focus area remained on supporting structural reforms across strategic state-owned entities with a particular focus on the unbundling of Eskoms Transmission System Operator, and Transnet National Ports Authority. Policy, legislative and strategic inputs were provided on, the South African Post Office, the South African Broadcasting Corporation, Sentech, Broadband Infraco, the Central Energy Fund, climate finance initiatives and the Just Energy Transition programme. Support was also provided to the establishment of a National Water Resources Infrastructure Agency and input into the South African Post Office's business rescue process.

As at 31 March 2026, the Minister of Finance approved the disbursement of R80 billion to Eskom as part of the Eskom debt relief package for 2025/26, bringing the total received by Eskom to R220 billion, of which R140 billion was converted into equity following Eskom's compliance with all the required strategic conditions. In line with the gazette Eskom Debt Relief Amendment Act of 2025, the debt takeover was reduced from R70 billion to R50 billion advances. This reduced the debt relief support from R254 billion to R230 billion. The R10 billion remaining is contemplated to be disbursed in 2028/29. Government's guaranteed exposure to Eskom stood at R352.2 billion which includes interest and inflation, while Eskom paid more than R1.6 billion in interest to the fiscus.

The department considered borrowing authorisations and related limit applications as well as foreign currency borrowing limit applications from Eskom, Transnet, the Industrial Development Corporation, uMngeni-Uthukela Water and the Trans-Caledon Tunnel Authority.

South Africa's sovereign credit profile improved during the reporting period. Fitch affirmed the country's BB-minus credit rating with a stable outlook, while S&P Global Ratings upgraded South Africa's foreign and local currency ratings and assigned a positive outlook. These developments reflected growing confidence in the country's fiscal trajectory, improvements in economic performance and potential to reduce contingent liabilities associated with state-owned companies. Moody's maintained its Ba2 rating and acknowledged South Africa's strong macroeconomic framework and commitment to fiscal discipline. However these credit strengths have been offset by the low growth potential due to an aging infrastructure network, a weak labour market and socioeconomic inequalities which continue to complicate policy implementation and elevate social risk.

Government successfully funded its gross borrowing requirement of R545.1 billion through a balanced combination of domestic and international financing instruments a. During the year, R73.6 billion of short-dated bonds were exchanged for long-dated bonds, as well as cash and other balances.

As at 31 March 2026, gross government debt had increased from R5.7 trillion to R6.1 trillion. Notwithstanding these pressures, debt management remained prudent and effective. Debt-service costs amounted to R417.9 billion, which was lower than the revised budget estimates by approximately R2.7 billion, while all domestic and foreign debt obligations were met in full and on time. Strategic debt-risk indicators remained within approved limits throughout the year.

The average weighted cost of funding (monthly issuances) during the year was 7.37 per cent. The cost of funding comprises fixed-rate bonds, which contributed 8.99 per cent; inflation-linked bonds, which contributed 4.03 per cent; floating rate notes, which contributed 7.46 per cent; and Treasury bills, which contributed 7.22 per cent.

During 2025/26, the National Treasury made significant progress in strengthening public financial management, governance, accountability and institutional capacity across all spheres of government. Key reforms focused on legislative modernisation, compliance oversight, financial management capacity building, and the professionalisation of public sector financial management.

A major milestone was the finalisation of the proposed amendments to the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA). The reforms, took into account the findings of the Zondo Commission on State Capture, aim to strengthen transparency, accountability, fiscal discipline and oversight mechanisms. Extensive consultations were undertaken with key stakeholders, including provincial treasuries, the Auditor-General of South Africa (AGSA), the Governance, State Capacity and Institutional Development Cluster, and the Forum of South African Directors-General.

To improve supplier payment performance and support economic growth, the National Treasury reviewed Instruction No. 34, which addresses the late payment of supplier invoices. This initiative forms part of broader efforts to strengthen compliance with the 30-day payment requirement and was undertaken in collaboration with the Presidency and the Department of Small Business Development.

The department continued with efforts to strengthen state capacity by providing extensive support to institutions governed by the PFMA and MFMA through the provision of information and advocacy sessions and capacity building programmes. These covered a range of topics, including the PFMA, Treasury Regulations, and the management of irregular, fruitless and wasteful expenditure. Ongoing assistance was also provided on the interpretation, application and implementation of the PFMA and its prescripts.

Technical meetings with the AGSA and PFMA-compliant institutions were held throughout the reporting period to provide clarity on the interpretation of the PFMA, Treasury regulations and related instructions and frameworks. Responses to requests from PFMA-compliant institutions for the division to condone irregular expenditure was provided as well as requests for deviation from Treasury regulations and instructions. Formal responses were provided to departments and public entities listed in schedules, 2, 3A and 3B of the PFMA on its interpretation, application and implementation.

Monitoring of compliance remained a key priority. Quarterly and annual reports on the payment of suppliers within 30 days were published including recommendations to accounting officers on how to improve compliance in this area. The National Treasury continued to assist and support suppliers with queries reported through the 30 days queries portal.

A progress report was produced analysing financial management performance, tabling of annual reports and AFS in legislature, audit outcomes in institutions subjected to the PFMA, non-compliance with laws and regulations in national and provincial departments, and unauthorised, irregular, fruitless and wasteful expenditure.

Within local government, the National Treasury maintained support through the MFMA Helpdesk, which provided guidance on queries related to the interpretation and implementation of the MFMA. Additional support was delivered through capacity-building initiatives aimed at municipal officials, councillors, audit committees and disciplinary boards to strengthen the implementation of consequence management addressing implementation challenges and the processing of UIFWE in terms of section 32 of the MFMA.

The department continued to monitor MFMA compliance through the 3 web enabled systems Municipal eMonitor, Financial Management Capability Maturity Model (FMCMM) and Audit Action Plan System. These platforms, along with related sources, informed the publication of the annual Strengthening Municipal Financial Management, MFMA Compliance Report 2024/2025, which provides a consolidated status on municipal financial management, MFMA compliance and implementation across all provinces and recommendations for both municipalities and provincial treasuries to improve compliance and oversight.

The National Treasury continued to support municipalities through the Local Government Financial Management Grant, which was transferred to all 257 municipalities. Funding enabled the appointment of interns, improvements to financial systems, enhanced asset management, competency training, and strengthened governance and financial management capacity.

National and municipal financial reporting oversight remained a priority through monthly expenditure monitoring, technical accounting support, review of annual financial statement preparation plans, audit action plans and interim financial statements. Regular engagement forums facilitated peer learning and knowledge sharing among chief financial officers and financial management practitioners.

The department also strengthened governance through support to internal auditors, risk management practitioners and audit committees. New guidelines, information-sharing sessions and technical support improved consistency in the application of standards and strengthened governance and risk management practices across government institutions.

A significant governance reform was the revitalisation of the Public Sector Audit Committee Forum (PSACF). The forum was restructured to serve as a strategic platform for strengthening audit committee effectiveness and oversight across government. A new four-part governance structure was established comprising an Advisory Working Group, Consultative Working Group, Commentators Group and Audit Committee Members' Forum. The reconfigured forum focuses on addressing transversal governance challenges, strengthening audit committee capacity, promoting best practices and supporting reforms informed by emerging governance risks.

Risk management committees also received support on the risk management framework and the embedding of risk management practices.

The National Treasury continued to support professionalisation and capacity development within local government through the Municipal Financial Management Internship Programme, which provides opportunities for unemployed graduates while strengthening municipal financial management capacity. The annual Skills Development Facilitator and Internship (SDF&I) Forum was formally established to amongst others, conduct the intern's verification process where approximately 705 interns were physically verified.

Investment in professional skills development continued through the Chartered Accountants Academy, where nine candidates completed their training programme and 23 remained in training.

Further efforts to promote professionalisation included strategic partnerships with the National School of Government and the South African Institute for Government Auditors (SAIGA) to support capacity building, professional development and the strengthening of public financial management and audit practices. This was followed by the development of a strategic and practical short learning programme designed to equipping public sector financial professionals employed in both National and Provincial Departments with the knowledge, skills, and competencies required to perform effectively as Chief Financial Officers (CFOs).

This course is anchored in NT's vision to strengthen public financial management and improve accountability across government institutions through targeted capacity-building initiatives. Its development was informed by findings from the NT-led CFO assessment, commissioned as part of a Cabinet initiative to better understand the factors influencing audit outcomes across all spheres of government.

NT also entered into a MOU with the South African Institute for Government Auditors (SAIGA), focusing on collaborative efforts to enhance professional standards and development within government finance and audit functions.

Overall, these initiatives collectively strengthen accountability, improve financial management capability, support better audit outcomes and contribute to building a capable, ethical and developmental state.

Significant progress was made during 2025/26 in strengthening South Africa's public procurement system through legislative reform, digital transformation, strategic procurement initiatives, and enhanced transparency.

The Public Procurement Act, 2024 was gazetted on 23 July 2024. Draft regulations have been developed awaiting approval for publishing for public comments. The regulations are expected to be finalised during 2026/27.

14 transversal-term contracts and 9 supplementary-term contracts were facilitated, with a combined estimated value of R108.1 billion and negotiated savings of 2.61%. These contracts support procurement efficiency and economies of scale across key sectors including fleet management, healthcare, education, telecommunications, as well as clothing and textiles.

The Central Supplier Database (CSD) continued to improve access to government procurement opportunities, reaching 845,652 registered suppliers, of which 306,257 were women-owned, 215,782 were youth-owned and 7,356 were owned by people with disabilities System enhancements strengthened supplier verification processes and further automated Requests for Quotations (RFQ) by enabling online evaluation and based on the evaluation recommends award.

The eTenders Portal was enhanced through improved transparency reporting, with 31,998 procurement opportunities advertised and 17,893 awards reported during the year. Increased adoption of online bid submission functionality further modernised procurement processes. All procurement plans submitted to National Treasury were published on the portal.

A major milestone was the launch of the Procurement Payments Dashboard, providing public access to government procurement expenditure data and enhancing transparency and accountability. Supporting guidance was issued through an Instruction Note on Procurement Information Transparency. Published data includes supplier and ownership details, as well as the nature, value, and quantity of procurement transactions and payments.

The department also accelerated the digitalisation of SCM processes, including the reporting of procurement malpractice and corrective actions through the new OCPO Management System. The system was successfully piloted, with 502 officials trained and 102 officials from 44 organs of state onboarded.

To strengthen oversight and risk management, the Compliance Risk Assessment and Monitoring (CRAM) Tool was finalised, designed to identify SCM risks, assess procurement maturity, and support compliance improvement across government institutions. National and provincial advocacy and deployment activities were completed.

Progress was also made in the professionalisation of public procurement, focusing on building institutional capability, developing skilled procurement professionals, fostering stakeholder partnerships, and creating an enabling environment for high-performance procurement.

The department continued to enhance, monitor, and enforce compliance through SCM norms and standards. Organs of state were supported through capacity building on bid reviews, condonation of irregular expenditure, supplier restrictions as requested by organs of state, and provision of institutional support plans.

Implementation of the Strategic Procurement Framework (SPF) advanced through pilot projects in four institutions across national, provincial, local government, and state-owned entities. Procurement spend analyses enabled these institutions to identify strategic sourcing opportunities and assess their contribution to socio-economic objectives. Extensive training, awareness programmes, webinars, and stakeholder engagements supported broader SPF implementation.

Additional achievements included the expansion of the government specification library to cover security services, ongoing technical support to institutions, collaboration with higher education institutions to strengthen their SCM curricula, and support for the Graca Machel Trust that seeks to advance emerging young female entrepreneurs across the African continent.

During the reporting period, the department continued to advance South Africa's economic, financial and development priorities through active participation in regional and global economic governance structures. These efforts focused on strengthening African economic integration, enhancing regional financial cooperation, promoting sustainable development, advancing international financial reform, and ensuring that the interests of South Africa, Africa and developing economies were effectively represented in key multilateral forums.

The Department continued to support South Africa's participation in African Union (AU) structures, including the Committee of Fifteen Finance Ministers (F15), where it represented the Southern African region. The F15 plays a critical oversight role in promoting accountability, transparency and value for money in the management of the AU budget. The National Treasury further participated in the AU budget process, contributing to the approval of the AU's 2025/26 budget and advancing South Africa's interests within discussions on continental economic governance and financial integration.

# 06 REPORT OF THE ACCOUNTING OFFICER

The National Treasury, together with the South African Reserve Bank (SARB), continued to advance South Africa's positions within the AU Specialised Technical Committee of Ministers responsible for finance, economic planning, development and monetary affairs. Engagements included ongoing discussions regarding the establishment of AU financial institutions and broader reforms aimed at strengthening Africa's financial architecture.

The Department also provided strategic support to regional integration initiatives through the Southern African Customs Union (SACU), the Common Monetary Area (CMA) and the Southern African Development Community (SADC). The Department of Trade, Industry and Competition is the national focal point on matters relating to the Southern African Customs Union (SACU), with the National Treasury and SARS providing support. Within SACU, the Department oversaw the implementation of the organisation's budget and business plan, chaired finance governance structures during South Africa's term as chair of the Finance, Risk and Audit Committee, and supported efforts undertaken to reposition SACU. South Africa was set to take over the chairship of SACU in July 2025, including the commission and council.

The Department further administered South Africa's obligations under the CMA as governed by the Multilateral Monetary Area and facilitated ongoing cooperation with Eswatini, Lesotho and Namibia. A payment of R1.2 billion to Eswatini, Lesotho and Namibia was made during the reporting period for the treatment of the South African rand as legal tender.

South Africa's engagement in the Southern African Development Community (SADC) is coordinated by the Department of International Relations and Cooperation as the national contact point and lead department at the SADC council of ministers. The National Treasury is the sector specialist on all matters related to the finance track. Within SADC, the Department supported the Minister of Finance's participation in meetings of the Committee of Ministers of Finance and Investment, contributing to regional policy discussions on macroeconomic convergence, development financing and institutional sustainability. At the technical level, the Department continued to promote sound financial management and good governance within SADC structures.

The Department continued to play a significant role in international efforts to strengthen debt sustainability and reform the global financial system. As an official creditor to selected African countries via development finance institutions, South Africa has participated in various official creditor committees under the Common Framework. The National Treasury (representing South Africa) acted as vice-chair in the official creditor committee for Zambia, with France and China as co-chairs; and is participating in the official creditor committees of Ethiopia and Ghana. In 2025 the Minister of Finance signed the Memorandum of Understanding (MoU) for Ethiopia's debt treatment under the Common Framework on behalf of South Africa.

As Chair of the G20, South Africa also co-chaired the Global Sovereign Debt Roundtable alongside the International Monetary Fund (IMF) and World Bank Group. A key outcome of this engagement was the publication of a Sovereign Debt Restructuring Playbook aimed at improving the efficiency, predictability and transparency of sovereign debt restructurings. South Africa further joined the London Coalition Steering Committee, supporting efforts to improve debt sustainability, debt transparency and resilience to climate-related financial risks in developing countries.

The Department strengthened South Africa's engagement with major multilateral institutions, including the Organisation for Economic Co-operation and Development (OECD), the World Economic Forum (WEF), the World Bank Group and the African Development Bank (AfDB).

Through the OECD Enhanced Engagement Framework, the Department continued to align the OECD Joint Work Programme with national development priorities outlined in the Medium-Term Development Plan 2024–2029. Progress was achieved across priority areas including inclusive growth, competitiveness, investment promotion, skills development and institutional strengthening.

Progress was made by Government Departments in advancing elements of the Joint Work Programme, particularly through increased participation in OECD committees, working parties and technical engagements across priority sectors. Contributions were made to OECD policy discussions, engagement were held in peer learning processes, and participation in analytical workstreams aligned to domestic reform priorities. Implementation remained uneven across Departments, with varying levels of uptake and coordination.

The Department also coordinated and supported South Africa's participation at the World Economic Forum Annual Meeting, where the Minister of Finance led a high-level delegation that engaged international stakeholders on South Africa's reform agenda, investment opportunities and economic outlook. These engagements contributed to strengthening investor confidence and reinforcing South Africa's international economic standing.

South Africa actively supported efforts to mobilise concessional finance for developing countries by supported the scaling up of concessional finance to low-income countries. The departments effective participation in the replenishment negotiations of the African Development Bank's concessional fund, the African Development Fund resulted in securing a historic commitment of US$11 billion for the fund's 17th replenishment, that covers the 2026 to 2028 cycle, as well as retaining key priorities such as job creation and private sector development.

In the area of climate finance, the department participated in the Just Energy Transition Partnership and played a leading role in climate finance negotiations at COP30. These efforts focused on expanding climate finance flows, supporting the implementation of international climate commitments, and advancing initiatives aimed at aligning global financial systems with low-emission and climate-resilient development pathways.

# 06 REPORT OF THE ACCOUNTING OFFICER

NT continued to strengthen South Africa's strategic engagement with multilateral development banks to support national development priorities and economic reform initiatives.

At the World Bank Group, the Department supported South Africa's participation in governance structures and facilitated engagements related to expanding lending operations across key sectors, including energy, water, transport, urban development and financial services. Significant progress was also made in the development of the Credit Guarantee Vehicle to support energy transmission infrastructure and in expanding the use of innovative financing instruments aligned with national priorities.

Under the South Africa Country Partnership Framework (CPF) for 2022–2026, which guides cooperation between South Africa and the WBG, lending activities expanded the operational footprint of the International Bank for Reconstruction and Development (IBRD). This expansion occurred through a deepening and broadening of the financing portfolio across the energy, urban development, financial, water, and transport sectors, including increased engagement at the subnational level.

Notably, a new financial instrument—the Program-for-Results (PforR)—was introduced and approved to support the revitalisation of the Metro Trading Services Programme.

Through the African Development Bank, the Department supported South Africa's participation in the governance of the institution and facilitated implementation of the Country Strategy Paper for South Africa. The AfDB has worked closely with South Africa on the launch of the New African Financial Architecture (NAFA), which seeks to provide a system-wide framework for improving the deployment of capital and risk across Africa's financial ecosystem. The Bank expanded its support to both public and private sector initiatives and approved its first subnational loan in South Africa, amounting to R2.5 billion for the City of Johannesburg, marking a significant milestone in development financing at the local government level.

The National Treasury continued to strengthen its institutional capacity, governance systems and operational resilience during the 2025/26 financial year, while supporting the department's strategic objectives and service delivery mandate.

Human resource management initiatives focused on attracting, developing and retaining critical skills through targeted recruitment, employee rotations, graduate development programmes and bursary support. While the vacancy rate increased to 12.51 per cent due to the funding of additional posts to strengthen departmental capacity, staff turnover declined from 8.1 per cent to 6.4 per cent reflecting greater workforce stability.

The department continued to prioritise investment in its future leadership pipeline through graduate development, skills development and customised leadership training programmes. The Graduate Development Programme supported 60 graduates during the reporting period, with a further 82 graduates being recruited. 23 bursaries were awarded through the External Bursary Scheme and seven postgraduate students from disadvantaged communities were provided with practical workplace experience.

Leadership and management development programmes continued to strengthen succession planning, with 171 managers trained across first-line, middle and senior management levels, while 25 managers received specialised negotiation skills training.

Transformation objectives continued to be advanced, with women comprising 51.81 per cent of Senior Management Service (SMS) positions. Employee wellness, ethics awareness gender-based violence awareness initiatives and performance management remained priorities, supported by psychosocial services, ethics education and the implementation of a revised performance management policy.

ICT services continued to enable business continuity and improve organisational efficiency. Key achievements included the procurement and commissioning of technology infrastructure for the department's new premises, expansion of business process automation initiatives, enhancement of cloud and disaster recovery capabilities, and further strengthening of the department's cybersecurity posture.

Information and Communication Technology (ICT) continued to enable service delivery through the modernisation of digital infrastructure, automation of business processes, enhancement of cloud and disaster recovery capabilities, and the strengthening of cybersecurity governance. Major investments were made in technology solutions for the department’s new office accommodation, safeguarding the security environment and in supporting hybrid working arrangements.

A significant milestone was achieved with the securing of new office accommodation. The new premises will substantially enhance the working environment by providing modern, fit-for-purpose facilities, improved functionality, and access to cutting-edge infrastructure that will support collaboration and service delivery. Fit-out and tenant installation activities were nearing completion by year-end, with occupation scheduled for 2026.

Risk management and governance arrangements remained robust, supported by the implementation of business continuity measures, enterprise risk and compliance frameworks, and ethics management processes. Internal audit successfully delivered its approved annual audit plan and ad hoc reviews, reinforcing assurance and accountability across the department.

# 06 REPORT OF THE ACCOUNTING OFFICER

The department maintained full compliance with planning and reporting requirements, ensuring alignment between government priorities, strategic objectives and operational delivery The department successfully coordinated the first year of implementation of the 2025 to 2030 Strategic Plan. The department achieved an unqualified performance audit outcome with no material findings for the fourth consecutive year, reflecting strong governance, planning and performance management practices. Further progress was made in implementing the Organisational Planning and Monitoring Management System (OPMMS) to enhance organisational integration, efficiency and oversight functions.

Communications activities expanded stakeholder engagement through traditional, community and digital media platforms, while further promoting accessibility through the inclusion of sign language. A notable achievement was the successful development and deployment of the official branding framework for South Africa's G20 Presidency.

Several significant litigation matters were successfully defended, while legal interventions prevented potential litigation risks in other matters. Legislative support included processing the 2025/26 Budget Bills and advancing key financial sector, anti-money laundering and pension reform legislation through Cabinet and Parliament.

The department continued to demonstrate strong organisational performance during 2025/26 by investing in its people, modernising systems and infrastructure, strengthening governance and accountability, and enhancing its capacity to deliver on its constitutional and strategic mandate.

# 6.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

## 6.2.1 DEPARTMENTAL RECEIPTS

The table below provides a breakdown of the sources of revenue and performance for 2025/26.

Table 1: Sources of revenue

| DEPARTMENTAL RECEIPTS | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | ESTIMATE | ACTUAL AMOUNT COLLECTED | (OVER)/UNDER COLLECTION | ESTIMATE | ACTUAL AMOUNT COLLECTED | (OVER)/UNDER COLLECTION |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Tax receipts | – | – | – | – | – | – |
| Sale of goods and services other than capital assets | 354 086 | 353 859 | 227 | 876 | 119 543 | (118 667) |
| Interest, dividends and rent on land | 7 763 538 | 10 123 653 | (2 360 115) | 8 485 200 | 15 394 880 | (6 909 680) |
| Sale of capital assets | – | – | – | 40 | 49 | (9) |
| Financial transactions in assets and liabilities | 291 550 | 100 021 090 | (99 721 098) | 300 650 | 25 498 915 | (25 198 265) |
| **Total** | **8 409 174** | **110 498 602** | **(102 089 428)** | **8 786 766** | **41 013 387** | **(32 226 621)** |

Revenue received through financial transactions relates 78 per cent of the department's total revenue. The department over-collected by R32.227 billion mainly due to more interest income received from the South African Reserve Bank gold and foreign exchange contingency reserve account, foreign currency deposits, and investments in the tax and loan accounts for the period.

### Sale of goods and services

Primarily on fees for government guarantees insurance received from Transnet amount to R116 million. The remaining balance relates to the other government guarantees insurance received from DBSA and SAA, including proceeds from the replacement of lost office property and the services rendered for: Commission insurance and Garnishees.

### Interest

The over-collection of R6.910 billion was mainly due to more interest income received from investments in the foreign currency deposit tax and loan accounts.

### Financial transactions

The over-collection of R25.198 billion was mainly due to interest income received from the South African Reserve Bank gold and foreign exchange contingency reserve account.

## 6.2.2 PROGRAMME EXPENDITURE

The table below provides a high-level comparison between the expenditure incurred by the department against appropriated funds in 2024/25 and 2025/26.

Table 2: Payment expenditure made by programmes for the period 1 April 2025 to 31 March 2026

| PROGRAMME | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 702 408 | 699 268 | 3 140 | 762 137 | 590 094 | 172 043 |
| Economic Policy Tax Financial Regulation and Research | 137 596 | 120 058 | 17 538 | 145 819 | 128 345 | 17 474 |
| Public Finance and Budget Management | 4 069 162 | 3 589 545 | 479 617 | 6 386 197 | 6 386 197 | – |
| Asset and Liability Management | 145 164 | 137 940 | 7 224 | 1 956 110 | 1 943 452 | 12 658 |
| Financial Accounting and Supply Chain Management Systems | 737 255 | 734 372 | 2 883 | 777 417 | 747 776 | 29 641 |
| International Financial Relations | 2 526 242 | 2 321 449 | 204 793 | 3 804 457 | 2 774 771 | 1 029 686 |
| Revenue Administration | 12 388 563 | 12 388 563 | – | 15 409 637 | 15 409 637 | – |
| Financial Intelligence and State Security | 5 265 620 | 5 265 620 | – | 5 598 525 | 5 598 525 | – |
| **Total** | **25 972 010** | **25 256 815** | **715 195** | **34 840 299** | **33 578 797** | **1 261 502** |

# 06 REPORT OF THE ACCOUNTING OFFICER

The department's budget allocation for the 2025/26 financial year activities was R34.840 billion. Actual expenditure as at 31 March 2026 amounted to R33.579 billion, representing 96.4 per cent of the total allocated budget. The main contributors to the underspending are made up:

- **Compensation of Employees**: The under-spending of **R46 million** was mainly due to vacant positions that have not yet been filled. The filling of vacancies remains a high priority within the department
- **Goods and services**: Underspending of **R74.8 million** underspending was due to:
  - **R37.8 million on mainly Minor Assets within Directorate: Facilities Management** within Programme 1 - The underspending is to construction delays, which have shifted the anticipated payment timelines. The preparatory construction works are currently behind schedule, resulting in delays to the receipt, delivery, and subsequent installation of furniture. Delivery and installation remain dependent on the progress of the construction works. The furniture is expected to be delivered in the 2026/27 financial year, and the unspent funds will be declared back to fiscus;
  - **R17.4 million on mainly Consultancy Services within the Office of the Chief Procurement Officer within Programme 5 -** The underspending is due to lower than anticipated expenditure on the maintenance and support costs for the Central Supplier Database, the Contact Centre, and the Development of a Procurement Codification Standard project. In addition, lower expenditure resulted from travel and subsistence from the increased use of virtual meeting platforms. The unspent funds will be declared back to fiscus;
  - **R7.8 million on mainly Consultancy Services within Deputy Director-General: Tax, Finance and International Policy (DDG: TFIP) within Programme 2 -** The underspending is due to lower than expected expenditure under consultants for the Emolument Attachment Orders project, following a negotiated settlement with the service provider. The unspent funds will be declared back to fiscus;
  - **R2.4 million on mainly Venues and Facilities within Programme 6 -** The underspending is mainly attributable to lower than anticipated invoices received from various service providers and lower than anticipated expenditure for international meetings during the 2025/26 financial year. The unspent funds will be declared back to fiscus;

- **R9.4 million on various items within Goods and Services: Occurred across different Programmes** (including Audit Costs, Training and Development, Operating payments, Fleet Services and Bursaries). This is primarily due to lower than anticipated spending in these areas. The unspent funds will be declared back to fiscus.

- **Transfers and Subsidies**: The underspending of **R28.4 million** mainly on the lower-than-expected expenditure under transfers and subsidies is mainly for the African Development Fund for South Africa's contribution to the 16th replenishment of the ADF (ADF-16), International Finance Facility for Immunisation, and the World Bank Group, attributable to the appreciation of the Rand against major currencies. The unspent funds will be declared back to fiscus.
- **Payment of Capital Assets:** The underspending of **R112 million** is mainly on the on-going preparatory construction works at the Riverwalk Office Park building, delays in the delivery of the second batch of laptops resulting from a market shortage of parts, as well as delays in the delivery of ICT infrastructure (audio visual equipment, cabling, LAN access switches and Riverbed devices) for the Riverwalk Office Park premises. The unspent funds will be declared back to fiscus.
- **Payment for Financial Assets** had an underspending of **R1 billion** due to the non-acquisition of International Finance Corporation (IFC) shares by 31 March 2026.

## PROGRAMME 1

*Administration* spent R590.094 million, which represents 77.4 per cent of the allocated budget

## PROGRAMME 2

*Economic Policy, Tax, Financial Regulation and Research* spent R128.345 million, which represents 88 per cent of the allocated budget

## PROGRAMME 3

*Public Finance and Budget Management* spent R6.386 billion, which represents 100 per cent of the allocated budget

### PROGRAMME 4

*Asset and Liability Management* spent R1.943 billion, which represents 99.4 per cent of the allocated budget.

### PROGRAMME 5

*Financial Accounting and Supply Chain Management System* spent R747.776 million, which represents 96.2 per cent of the allocated budget.

### PROGRAMME 6

*International Financial Relations* spent R2.775 billion, which represents 72.9 per cent of the allocated budget.

### PROGRAMME 7

*Revenue Administration* transferred R15.410 billion, which represents 100 per cent of the budget allocated.

### PROGRAMME 8

*Financial Intelligence and State Security* transferred R5.599 billion, which represents 100 per cent of the budget allocated

## 6.2.3 VIREMENTS/ROLLOVERS

The department applied internal virements to cover overspending:

- Programme 1 received an aggregate of R173.123 million: Received from various programmes cover the shortfall in COE, ICT system servers, for laptop bulk buying costs and Contractors for the construction activities of the Riverwalk Park Office.
- Programme 2 gave an aggregate of R482 thousand to various programmes to cover the shortfall on the Training expenses for Stellenbosch Business School and for centralisation of the laptop bulk buying.

- Programme 3 received an aggregate of R2.058 billion from the AENE 2025 process for Urban Development Financing Grant and gave to Programme 1 for the Training expenses, centralisation of the laptop bulk buying and the shortfall within buildings and machinery and equipment.
- Programme 4 received an aggregate of R1.792 billion mainly from the AENE 2025 process for the Credit Guarantee Vehicle and from various programmes for the Retail Savings Bond product development project which was offset by the Training expenses and centralisation of laptop bulk buying to Programme 1 and lastly for the shortfall within buildings and machinery and equipment.
- Programme 5 gave an aggregate of R16.5 million to various programmes mainly to cover the shortfall on buildings, machinery and equipment, on the COE and laptop bulk buying within mainly Programme 1 and various other programmes.
- Programme 6 gave an aggregate of R138.329 to Programme 1 for the Professional services, Computer Services and to cover the shortfall at year end for the buildings and machinery and equipment.

### 6.2.4 UNAUTHORISED EXPENDITURE

No unauthorised expenditure was recorded after the application of virements.

### 6.2.5 IRREGULAR EXPENDITURE

The department started the financial year with irregular expenditure cases to the value of R236.512 million. There were eleven new irregular expenditure transactions/cases that were identified or reported in the 2025/26 financial period. The department continued to implement internal controls aimed at preventing and detecting irregular expenditure. While eleven new cases were identified during the reporting period, the controls enabled the department to report these matters, and management will continue to strengthen preventative measures to reduce the risk of recurrence.

The irregular expenditure confirmed and reported in the 2025/26 Annual Financial Statements was R22.245 million. During the reporting period, approval was granted by the DG on 27 November 2025 to remove irregular expenditure to an amount of R209.437 million. This resulted in reduction to the cumulative closing balance to R45.654 million at the end of the reporting period.

## 6.2.6 FRUITLESS AND WASTEFUL EXPENDITURE

No new cases of fruitless and wasteful expenditure were reported in 2025/26.

## 6.2.7 SUPPLY CHAIN MANAGEMENT

The department did not conclude any unsolicited bid proposals for the year under review.

Procurement of goods and services is centralised in the Supply Chain Management Directorate. Procurement has been achieved through the approved Annual Demand and Procurement Plans which is prepared, implemented and monitored in-line with the PFMA, PFMA Supply Chain Management Instructions Notes.

In the 2025/26 financial year, the Department procured goods and services in line with the Procurement Plan, which comprised 38 projects. Of these, about 23 projects were advertised, an average of 61% were advertised, while 39% were not advertised due to changes in circumstances, including a shortage of funds, project withdrawals, and deferrals. Standard operating procedures and processes are in place to mitigate the occurrence of irregular, fruitless, wasteful, and unauthorised expenditure through the design and implementation of monitoring, preventative and corrective controls.

Conflict of interest is managed through procurement and other processes. The Supply Chain Management Directorate continuously ensures that:

- Supply chain management practitioners, role players and Bid Committee Members disclose their financial interests.
- Vetting of senior management, employees and key suppliers is undertaken.
- Verification of bidders' conduct against the register of tender defaulters and database of restricted suppliers is undertaken.

### Exemption and deviations

The Department did not realise any exemption under the SCM operations for financial year 2025/26. Deviations were approved for the current fiscal year; register was kept and were reported to the relevant authority.

## 6.2.8 ADJUSTING EVENT AFTER THE REPORTING DATE

The were no adjusting events after the reporting date.

## 6.2.9 OTHER MATTERS

In June 2026, the Minister approved a R10 billion, 25-year guarantee in favour of the Land Bank to support debt refinancing and liquidity management. As the approval occurred after 31 March 2026 and relates to conditions arising thereafter, it is treated as a non-adjusting subsequent event.

### CONCLUSION AND APPRECIATION

Now more than ever transparency and accountability are cornerstones in building and strengthening a capable and ethical public service to which National Treasury holds itself to the highest measure.

The department's performance during the year under review reflects its unwavering commitment to prudent fiscal management, transparent governance, and effective use of public resources.

I extend my sincere appreciation to the employees of the National Treasury, whose professionalism, dedication and resilience remain central to the department's achievements. Their commitment to excellence has enabled the department to navigate a complex operating environment while continuing to deliver on its strategic objectives.

I also wish to express my gratitude to the Minister of Finance, Mr Enoch Godongwana, Deputy Minister David Masondo and Deputy Minister Ashor Sarupen for their leadership, guidance and steadfast support throughout the reporting period. Their counsel and commitment have been instrumental in advancing the department's mandate and strategic priorities.

**DR DUNCAN PIETERSE**
Accounting Officer
**Date:** 22 September 2026

# 07 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent. The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on annual reporting, as issued by the National Treasury.

The AFS (Part F) has been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The accounting officer is responsible for the preparation of the AFS and for the judgments made in this information.

The accounting officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of performance and human resources (HR) information, and the AFS.

External auditors are engaged to express an independent opinion on the AFS.

In my opinion, the annual report fairly reflects the operations, performance, HR information and financial affairs of the department for the financial year ended 31 March 2026.

Yours faithfully

**DR DUNCAN PIETERSE**
Accounting Officer
**Date: 22 September 2026**

## 8.1. VISION

The National Treasury strives to be professional, courageous and trusted, working in partnership to mobilise resources to improve the living standards of South Africans.

We aspire for excellence in the quality of our analysis, advice and execution of our financial management responsibilities.

## 8.2. MISSION

As custodians of the nation's financial resources, we oversee the management of public finances, maintain the stability of the macro-economic and financial sectors, and ensure the effective financial regulation of the economy. We embrace innovation and sustainability as we strive to realise the full potential of South Africa's economy and people. In doing this, we value and invest in our staff, hold them accountable, recognise each contribution and celebrate our diversity.

## 8.3. VALUES

We are guided by a core set of values:

- Integrity – We do the right thing by holding ourselves to exemplary ethical standards.
- Professionalism – Our work is of the highest quality, accuracy and reliability.
- Accountability – We are responsible for our decisions, actions and work.
- Consultation – We believe in consulting within and outside our organisation.
- Transparency – We are committed to being accessible, honest, trustworthy and open.

### LEGISLATIVE AND OTHER MANDATES

The legislative mandate of National Treasury' is drawn from Chapter 13 of the Constitution. This Chapter requires the establishment of a National Treasury tasked with enforcing compliance with uniform treasury norms and standards to ensure transparency, accountability and sound management of public finances. This mandate is further elaborated mainly in the Public Finance Management Act, 1999 and the Municipal Finance Management Act, 2003.

Among its responsibilities, the department is mandated to promote the national government's fiscal policy; coordinate macroeconomic policy; ensure the stability and soundness of the financial system and of financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; exercise control over implementation of annual national budgets and adjustments budgets; monitor the implementation of provincial and municipal budgets; promote good budget and fiscal management by municipalities; and enforce treasury norms and standards applicable to departments, public entities, constitutional institutions and municipalities.

There have been no significant changes to National Treasury's legislative and other mandates during the reporting period.

### PARLIAMENTARY SERVICE

The Minister of Finance, as the political principal of the department, regards active collaboration with Parliament as vital. The National Treasury will continue to maintain good relations with parliamentary committees during the period ahead, including the Standing Committee on Finance, the Select Committee on Finance, the Standing Committee on Public Accounts and the Standing Committee on Appropriations.

2025/26
National Treasury

# ANNUAL REPORT

## Vote 8

## PART A
## GENERAL INFORMATION

ORGANISATIONAL **STRUCTURE**

# 09 ORGANISATIONAL STRUCTURE

national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA

## ORGANOGRAM

**ENOCH GODONGWANA**
Minister of Finance

**DAVID MASONDO**
Deputy Minister of Finance

**ASHOR SARUPEN**
Deputy Minister of Finance

**DUNCAN PIETERSE**
Director-General

**BUSI MOTLHABEDI**
**ACTING HEAD:**
Budget Office

- Expenditure Planning
- Public Finance Statistics
- International Development Co-operation
- Fiscal Policy
- Public Sector Remuneration Unit
- Infrastructure Regulation and Assessment Unit

**NTUTHUZELO GOBOZI**
**ACTING HEAD:**
Chief Procurement Office

- Transversal Contracting
- SCM Policy, Norms & Standards
- Strategic Procurement
- SCM Client Support
- SCM Information, Communication & Technology
- SCM Governance, Monitoring & Compliance

**ULRIKE BRITTON**
**HEAD:**
Public Finance

- Justice & Protection Services
- Economic Services
- Administrative Services
- Education & Related Departments & Labour
- Health & Social Development
- Urban Development & Infrastructure

**CHRISTOPHER AXELSON**
**HEAD:**
Tax & Financial Sector Policy

- Financial Sector Development
- Financial Services
- Financial Stability
- Economic Tax Analysis
- Legal Tax Design

### OFFICE OF THE DIRECTOR-GENERAL

- Financial Management (including Supply Chain Management)
- Data Analytics
- Strategic Management & Oversight
- Internal Audit

national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA

# ORGANOGRAM

## MBALI BUTHELEZI

**ACTING HEAD:**
Corporate Services

- Human Resources Management
- Information & Communications Technology
- Facilities Management
- Security Management
- Communication Services

## EMPIE VAN SCHOOR

**HEAD:**
Office of the General Counsel

- Legal Services
- Legislation
- Public Sector Governance and Procurement Legislative Services
- Tax Legislative Drafting

## RAVESH RAJLAL

**ACTING HEAD:**
Asset & Liability Management

- Sectoral Oversight
- Liability Management
- Financial Operations
- Strategy & Risk Management
- Governance & Financial Analysis

## OGALALETSENG GAAREKWE

**HEAD:**
Intergovernmental Relations

- Local Government Budget Analysis
- Intergovernmental Policy & Planning
- Provincial & Local Government Infrastructure
- Provincial Budget Analysis
- Neighbourhood Development Unit
- MFMA Implementation
- Municipal Financial Recovery Services

## BOIPUSO MODISE

**HEAD:**
Economic Policy and International Cooperation

- Modelling & Forecasting
- Microeconomic Policy
- Macroeconomic Policy
- African Economic Integration
- Multilateral Development Banks & Concessional Finance
- Global and Emerging Markets

## SHABEER KHAN

**HEAD:**
Office of the Accountant-General

- Capacity Building
- Accounting Support & Integration
- Internal Audit Support
- Risk Management
- Technical Support Services
- Governance Monitoring & Compliance
- Specialised Audit Services
- Financial Systems
- Integrated Financial Management Systems (IFMS)

# 2025/26 National Treasury ANNUAL REPORT

## Vote 8

## PART A
## GENERAL INFORMATION

PUBLIC ENTITIES REPORTING TO **THE MINISTER**

# PUBLIC ENTITIES REPORTING TO THE MINISTER

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# 10 PUBLIC ENTITIES REPORTING TO THE MINISTER

During the period under review, 17 entities reported to the Minister of Finance through governance arrangements that provide each with autonomy and enable the alignment of their strategies with government policy. Seven of these entities receive transfers from the National Treasury. These are the: Accounting Standards Board (ASB), Financial and Fiscal Commission (FFC), Financial Intelligence Centre (FIC), Government Technical Advisory Centre (GTAC), Independent Regulatory Board for Auditors (IRBA), Office of the Tax Ombud (OTO) and SARS.

The remaining 10 entities generate their own revenue. These are the: Development Bank of Southern Africa (DBSA), Financial Sector Conduct Authority (FSCA), Financial Services Tribunal (FST), Government Pensions Administration Agency (GPAA), Ombud Council (OC), Office of the Ombud for Financial Services Providers (FAIS Ombud), Office of the Pension Funds Adjudicator (OPFA), Land and Agricultural Development Bank of South Africa (Land Bank), Public Investment Corporation (PIC) and South African Special Risks Insurance Association (SASRIA).

Each entity develops and reports on its own strategic and corporate plans, however, their work relates to the National Treasury's strategic objectives, which are in turn aimed at achieving the goals of the National Development Plan (NDP).

## Accounting Standards Board

The ASB is a schedule 3A public entity. Its legislative mandate is to develop uniform generally recognised accounting practice (GRAP) standards for all spheres of government to comply with section 216(1)(a) of the Constitution and the PFMA, as amended. The ASB promotes accountability, transparency and the effective management of revenue, expenditure, and assets and liabilities of the entities to which the standards apply.

Key achievements during the reporting period:

- After an extensive consultation with affected stakeholders, the ASB published the standard of GRAP on social benefits. This represents a step towards substantially completing the guidance needed to prepare a set of financial statements for government in terms of the social benefits it provides.
- Amendments were proposed to the standard of GRAP on accounting by principals and agents. The changes were based on comments made by stakeholders as part of the post-implementation review. The key issue with the application of the standard remains identifying whether arrangements are indeed principal-agent arrangements as described.
- The ASB continues its aim to improve the application of all GRAP standards and how the financial statements are used. The board posted 19 new videos on topical accounting issues on its YouTube channel. The purpose of these (and other existing content) is to help preparers apply the standards appropriately and improve the quality of financial statements. The ASB worked on education material for users of the financial statements to help them better understand what financial statements are and how they can be used. While the material was

not completed in the year as planned, it was expected to be made available in the first quarter of 2026/27.

- The knowledge hub, a joint initiative between the ASB and Office of the Accountant-General (OAG), was launched in January 2025. The hub brings together all GRAP-related matters into a single repository with the purpose of helping preparers and users of financial statements to find the standards, guidance, tools and FAQs in one place. Registrations on the hub continued to increase during the period under review, with 817 people registered by 31 March 2026, from 220 at the end of the previous financial year.

## Development Bank of Southern Africa

The DBSA is a schedule 2 major public entity. It was established by the Development Bank of Southern Africa Act (1997). As one of Africa's leading development finance institutions, the bank aims to expand access to development finance to effectively implement integrated and sustainable infrastructure development. This is in recognition that economic growth led by infrastructure development that responds to the socioeconomic needs of all people, and addresses the threat of climate change, is vital to improving the lives of Africa's growing population.

Key achievements during period under review:

- Recorded a net profit of R7.8 billion and achieved a return on equity on sustainable earnings of 12 per cent.
- Facilitated and supported infrastructure development valued at R62.4 billion. This comprised:
  - R20.7 billion in loans, bonds and equity disbursements
  - R17 billion in key projects enabled by the bank
  - R6.5 billion in infrastructure delivered
  - R14.7 billion of total funds catalysed for infrastructure projects
  - R3.5 billion unlocked for infrastructure development in under-resourced municipalities.
- Approved projects to the value of R2.3 billion for existing climate and environmental facilities.
- Spent R5.3 billion for the benefit of black-owned entities (50 per cent and above black shareholding), of which R4 billion benefited entities owned by black women (30 per cent and above black women shareholding). A total of 586 SMMEs benefited from infrastructure delivered to date, of which 69 are women owned.
- Constructed 25 new schools, expected to benefit 11 867 learners.
- Refurbished 23 schools, expected to benefit 13 150 learners.
- Constructed 83 ventilated improved pit latrine toilets to benefit 6 854 learners.
- Facilitated 19 963 jobs.

# 10 PUBLIC ENTITIES REPORTING TO THE MINISTER

## Financial and Fiscal Commission

The FFC is a schedule 1 constitutional institution established in terms of chapter 13, sections 220-222 of the Constitution. The commission derives its mandate from the Financial and Fiscal Commission Act (1997), which requires it to advise relevant authorities on financial and fiscal requirements for national, provincial and local spheres of government in terms of section 220 of the Constitution. Other legislation that informs the commission's mandate include the Borrowing Powers of Provincial Governments Act (1996), the Intergovernmental Fiscal Relations Act (1997), the Provincial Tax Regulation Process Act (2001), the MFMA, the Municipal Systems Amendment Act (2003), the Municipal Fiscal Powers and Functions Act (2007) and the Money Bills Amendment Procedure and Related Matters Act (2009).

Key achievements during 2025/26:

- Delivered on all constitutional and legislative submissions, including the FFC's annual submission on the 2026/27 division of revenue, on time, in terms of section 9 of the Intergovernmental Fiscal Relations Act (1997).
- Made all relevant budget submissions in terms of section 10 of the Intergovernmental Fiscal Relations Act (1997) on the Division of Revenue Bill, Appropriation Bill and the fiscal framework.
- Published 10 policy briefs and 1 technical report of research papers to substantiate the submissions.
- Tabled the submission on the 2025 MTBPS in terms of the 2025 Division of Revenue Amendment Bill and the 2025 Adjustments Appropriation Bill.

## Financial Intelligence Centre

The FIC is a schedule 3A public entity established under the Financial Intelligence Centre Act (2001) (FICA). Its primary goals are to combat money laundering and the financing of terrorism and related activities, identify proceeds from unlawful activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance, and facilitate effective oversight by supervisory bodies, as mandated by the act. To achieve these objectives and protect the integrity of South Africa's financial system, FICA is enforced alongside other legislation, including the Prevention of Organised Crime Act (1998), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (2004) and the South African Police Service Act (1995).

Key achievements during the reporting period:

- Registered 60 074 institutions.
- Produced 2 948 reactive and 1 094 proactive reports, of which 142 were classified as high priority.

- Responded to all 188 requests for funds to be blocked.
- Conducted 49 FICA risk and compliance awareness initiatives, 549 risk-based inspections on accountable and reporting institutions and issued 28 notices of sanctions to enhance FICA compliance.
- Participated in all 8 policy-making meetings held for the year, including 6 meetings of the FATF and 2 meetings of the Eastern and Southern Africa Anti-Money Laundering Group.

### Financial Sector Conduct Authority

The FSCA is a schedule 3A public entity established in terms of the Financial Sector Regulation Act (2017). It is mandated to serve as a financial sector market conduct and integrity regulator, as set out in the act. The authority focuses exclusively on regulating and supervising the conduct of entities that provide financial products and services. These include, among others, banks, insurers, the investment sector, retirement funds, administrators and intermediaries, and institutions and other infrastructure involved in financial markets. An important component of the authority's mandate is promoting financial literacy through financial education.

Key achievements during the period under review:

- Obtained Cabinet approval of the Conduct of Financial Institutions Bill, together with the FSCA's approval of the bill's readiness implementation plan. This marks a significant milestone in progressing towards a single, harmonised market conduct regulatory framework and demonstrates proactive institutional preparedness for the transition.
- Advanced financial literacy and consumer empowerment through the successful implementation of the financial education plan, including the national Financial Literacy Speech Competition, which reached more than 5 800 learners and strengthened awareness across provinces. These initiatives are critical in enhancing consumer resilience amid increasing global financial uncertainty, digitalisation and evolving financial risks, with 93.3 per cent of targets achieved during the reporting period.
- Strengthened financial literacy at scale through the successful rolling out of the 2025 Money Smart Week, which reached an estimated 14.4 million consumers through nationwide media campaigns and demonstrated strong sector collaboration, with high participant satisfaction (97 per cent of survey participants indicated a willingness to recommend the initiative). The campaign continues to play a critical role in addressing gaps in financial capability by promoting consumer awareness, rights and responsible financial behaviour, thereby contributing to a more financially resilient and inclusive society in the context of increasing economic pressures and financial complexity.
- Hosted the FSCA Industry Conference in March 2026, convening key stakeholders across the financial sector to engage on critical issues, including the implementation of the Conduct of Financial Institutions Bill, the impact of artificial intelligence and digitalisation, financial resilience, and emerging global regulatory trends. The conference also provided a platform for

advancing the "twin peaks" reform agenda and launched the Financial Education Charter, reinforcing the FSCA's leadership in promoting collaboration, innovation, and improved market conduct outcomes.

- Achieved all targets for the year as part of the digital transformation strategy, with significant progress in enhancing customer experience, operational efficiency, agility, and data-driven decision-making. This included the successful implementation of the FSCA's digital platform, improving accessibility and stakeholder engagement, as well as the delivery of phase 2 of the integrated regulatory system. The rollout of the system, including the omni-risk return and risk module, represents a major milestone in modernising regulatory processes and strengthening system-enabled supervision. Additional progress in data integration, migration readiness and advanced analytics capabilities has further enhanced regulatory oversight and informed decision-making across the organisation.
- As at 10 March 2026, the FSCA received a total of 533 license applications from crypto asset service providers. Of these applications, 307 have been completed and approved, of which 14 were declined and 124 applications were withdrawn voluntarily by the applicants. The remaining applications were still under consideration as at 31 March 2026.
- The FSCA's financial education plan was published in May 2025. Of the 30 targets set out in the plan, 28 were achieved. The educational reach expanded to over 422 196 029 South Africans through various platforms. Activities related to the plan were conducted in-person as well as through distribution channels such as radio, television and print media, as well as various social media platforms. Some of the activities integrated all these platforms for greater reach and reinforcement.

## Financial Services Tribunal

The FST was established in terms of section 219 of the Financial Sector Regulation Act (2017) as an independent body to reconsider decisions as defined in section 218 of the act, and perform other functions conferred on it by the act and specific financial sector laws.

Key achievements during 2025/26:

- Received 275 applications for reconsideration.
- Published 236 decisions related to applications for reconsideration on the FSCA website.
- Issued 131 decisions on applications for leave to reconsider arising from decisions made by the FAIS Ombud.
- 10 decisions were taken on review to the high court.

## Government Pensions Administration Agency

The GPAA provides pension administration services to the Government Employees Pension Fund (GEPF) and the National Treasury in terms of the Government Employees Pension Law (1996). During the period under review, the amalgamation of the Associated Institutions Pension Fund and the Temporary Employees Pension Fund into the GPAA was fully completed. This amalgamation strengthened administrative efficiencies, reduced fragmentation and enhanced governance oversight, while increasing the scale and complexity of the agency's operations.

Post-retirement medical subsidies are administered as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council; military pensions are administered in terms of the Military Pensions Act (1976); injury-on-duty payments are administered in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions are administered in terms of the Special Pensions Act (1996). On behalf of the Department of Military Veterans, the agency administers military veteran pensions in terms of the Military Pensions Act (1976).

Key achievements during the reporting period:

- Paid an average of 87.5 per cent of benefits on time on receipt of duly completed documentation (89.2 per cent of GEPF payments, 99.9 percent of National Treasury payments and 73.5 per cent of military veteran payments).
- Admitted an average of 99.7 per cent of new members within required timeframes (100 per cent for the GEPF, 100 per cent for the National Treasury and 73.5 per cent for the Department of Military Veterans).
- Serviced 100 per cent of clients who visited the GPAA offices throughout the country.
- Reached an average of 75 per cent of clients through digital communication channels.
- Handled an average of 94.8 per cent of calls to the customer centre on first contact.
- Collected and reconciled an average of 99.9 per cent of GEPF contributions by the 22nd of each month.

# 10 PUBLIC ENTITIES REPORTING TO THE MINISTER

## Government Technical Advisory Centre

GTAC was established in terms of the Public Service Act (1994) as a government component. Its mandate is to help organs of state build their capacity for efficient and transparent financial management. The centre's objectives are to provide consulting services to government departments and other organs of state, specialised procurement support for high-impact government initiatives, advice on the feasibility of infrastructure projects, knowledge management for projects undertaken, and any ancillary support.

Key achievements during the period under review:

- Delivered 16 institutional development and technical advisory projects within agreed timeframes and budgets, supporting organisational reform, governance improvement, financial sustainability, programme implementation, and institutional strengthening across national, provincial, and local government institutions.
- Conducted 6 public-private partnership (PPP) capacity-building initiatives aimed at strengthening institutional capability in the planning, implementation and management of PPPs in line with Treasury Regulation 16 and National Treasury PPP guidelines.
- Completed 8 strategic infrastructure capital appraisal reports under the BFI, supporting evidence-based infrastructure investment planning and fiscal decision-making in sectors such as water and sanitation, transport and logistics.
- Achieved a 100 per cent client satisfaction rating for completed public expenditure and policy analysis projects, demonstrating the quality, relevance and responsiveness of GTAC's expenditure analysis and evidence-based advisory support to government institutions.

## Independent Regulatory Board for Auditors

IRBA is a schedule 3A public entity established in terms of the Auditing Profession Act (2005), as amended, and is dedicated to protecting the public by effectively regulating audits conducted by registered auditors.

Key achievements during 2025/26:

- The audit committee roundtables initiative is a collaboration with audit firms through which IRBA engages directly with audit committee chairpersons to discuss audit quality, the value of audit and other factors affecting corporate reporting in South Africa. In 2025/26, IRBA met with more than 40 audit committee chairpersons during engagements focusing on collaborative discussions to share insights, challenges, best practices and transparency.
- In terms of maintaining international recognition for the auditing profession in South Africa, during the period under review, IRBA was re-elected to the board of the International Forum of Independent Audit Regulators and its CEO was reappointed as chairperson of the forum's audit and finance committee for another 2-year term.

- A high-level roundtable centred on the future of audit through technological disruption was held by IRBA in collaboration with global standard-setters and stakeholders, including the International Federation of Accountants. This engagement, which brought together leaders from across the profession, explored the transformative impact of artificial intelligence (AI) and emerging technologies on audit and assurance. It culminated into the publication of 2 international thought leadership articles, examining how AI is reshaping audit methodologies, enhancing audit quality and redefining the skills required of future auditors.
- As part of enhancing the attractiveness of the profession, IRBA engaged in outreach activities that included reaching 6 100 school learners through career fairs and 4 700 university students via guest lectures, awarding 85 audit prizes, engaging 700 trainees and managers during audit firm presentations, and conducting 20 visits to universities.
- The standards department hosted several awareness-raising activities through a series of webinars that covered a range of key topics. These included capacity-building initiatives for small and medium audit practices, the launch of sustainability assurance standards in the South African context, and broader thought leadership engagements on emerging issues such as AI, culture and ethical leadership, and its implications for the profession.
- The highest cumulative attendances of audit quality roadshows were reached during the period under review. Events were held in key economic hubs (Johannesburg, Durban and Cape Town) in April 2026. Stakeholders from various regulators and audit firms participated in various capacities such as keynote speakers or members of the discussion panel.
- There was a decrease from 28 per cent as at 31 March 2025 to 19 per cent by the end of 2025/26 for engagements inspected, with referrals of audit firms remaining constant at 24 per cent.

## Land and Agricultural Development Bank of South Africa

The Land Bank is a schedule 2 major public entity. As a development finance institution, it is mandated to address agricultural and rural development in South Africa. The bank operates in the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act (2002) and the PFMA.

Key achievements during the reporting period:

- Collected R3.1 billion from clients, disbursed R1.63 billion to clients and, as part of the bank's strategy to pay lenders as per the liability solution, paid R3.6 billion to lenders (capital and interest).
- On banking operations alone, the group provisionally reported R561 million in profit compared to a profit of R537 million in the previous year.

# 10 PUBLIC ENTITIES REPORTING TO THE MINISTER

- Gross interest income for the period was R2.3 billion and net interest income was R1.4 billion, compared with R3.3 billion and R1.8 billion in the previous year, respectively.

## Office of the Ombud for Financial Services Providers

The FAIS Ombud is a schedule 3A public entity established in terms of section 20(1) of the FAIS Act. Its purpose mainly involves considering and resolving complaints in a procedurally fair, informal, economical and expeditious manner, in terms of section 20(3) of the FAIS Act. This mandate is discharged by the Ombud for Financial Services Providers, which is, in terms of section 21(1) of the FAIS Act, appointed by the Minister of Finance.

The extended mandate of the FAIS Ombud is derived from the operation of section 211 of the Financial Sector Regulation Act (2017). In terms of the act, the Ombud Council is entitled to designate any ombud scheme (including the FAIS Ombud) to deal with and resolve complaints about financial services or products of a particular kind. This applies to services or products offered in a context where there is no ombud scheme or statutory ombud that resolves complaints of that kind.

Key achievements during the period under review:

- Received 14 544 complaints compared with 15 404 in the previous year. Of these, 21 per cent were within the scope of the office's mandate.
- The number of complaints settled amounted to 1 256, representing an overall settlement ratio of 42.2 per cent, with an overall settlement value of R39 578 860.
- The time to completion for all justiciable complaints was 62 working days. This was an improvement from the 73 working days during the previous reporting period.

## Office of the Pension Funds Adjudicator

The Office of the Pension Funds Adjudicator is mandated to investigate and determine complaints lodged in terms of the Pension Funds Act (1956). To fulfil its mandate, the office is required to ensure procedurally fair, economical and expeditious resolutions of complaints in terms of the act. This is achieved by ensuring that its services are accessible to all, and that it investigates complaints in a procedurally fair manner to reach just resolutions swiftly in accordance with the law.

Key achievements during 2025/26:

- Received 13 041 complaints across all provinces through various mediums compared with 10 331 complaints in 2024/25. This 26 per cent increase marked an unprecedented number of complaints received in a financial year since the adjudicator's inception.
- Finalised 11 047 complaints (including those carried over from 2023/24) compared with 10 100 in 2024/25. Of these, 1 386 were settled, 6 372 were formally determined, 1 630 were deemed out of jurisdiction for various reasons and 1 659 were closed for other reasons.

## Office of the Tax Ombud

The OTO is a schedule 3A public entity established in terms of the Tax Administration Act (2011). Its mandate is to review and address any complaint by a taxpayer regarding service, procedural or administrative matters arising from the application of tax legislation.

Key achievements during the reporting period:

- Received a total of 15 569 contacts, of which 11 435 were classified as general queries, while 4134 were formally lodged. The volume of contacts reflects continued public awareness of the OTO and underscores the importance of accessible taxpayer support services.
- Of the 4140 complaints received, 3 983 were validated after a comprehensive evaluation and review process to determine whether they fell within the OTO's jurisdiction and met the requisite criteria for formal processing. This represents a validation rate of approximately 96.2 per cent, reflecting the effectiveness of the OTO's intake and screening procedures. Following validation, 2 016 accepted complaints were formally referred to SARS for resolution.
- SARS resolved 1 924 complaints. Significantly, the revenue service implemented 99.5 per cent of all recommendations made by the OTO in relation to those resolved complaints. This exceptionally high implementation rate reflects the constructive working relationship between the OTO and SARS and affirms the effectiveness of the OTO's recommendations in addressing legitimate taxpayer concerns.

## Ombud Council

The OC was established in terms of chapter 14 of the Financial Sector Regulation Act (2017). Its objective is to assist in ensuring that financial customers have access to, and can use, affordable, effective, independent and fair alternative dispute resolution processes for complaints about financial institutions. To this end, the council exercises oversight over statutory and recognised industry ombud schemes in the financial sector. It does so by using a range of regulatory, supervisory and enforcement powers conferred on it by the act. In effect, the council is the regulator of financial ombud schemes and the financial ombud system. It is funded by levies paid

by financial institutions in terms the Financial Sector and Deposit Insurance Levies Act (2022), which also provides that levies are collected by the FSCA on the council's behalf.

Key achievements during the reporting period:

- Built a quarterly complaint data reporting framework across ombud schemes and used it to put forward 3 specific, documented proposals to regulators – on digital banking fraud data-sharing with the FSCA, intermediary misconduct trend-sharing between the FSCA and FAIS Ombud, and support to the National Financial Ombud Scheme and National Credit Regulator on debt-counselling complaints. Regulators confirmed that these directly supported their own supervisory and enforcement responses.
- Working with the National Treasury, the World Bank and the FSCA, the council helped draft the Financial Ombud System Amendment Bill to give effect to the 2024 reform policy paper, running informal consultations with schemes and the FSCA along the way. A formal stakeholder engagement framework has now been set up, with consultation continuing into 2026/27.
- Rolled out an action plan aligning referrals, terminology and complaint-handling between the National Financial Ombud Scheme and FAIS Ombud, with a similar plan for the OPFA at an advanced stage. It also published new rules for the OPFA, which was phased in from 4 March 2026.
- Secured a clean, unqualified audit opinion for 2024/25 with no material internal audit findings in 2025/26. This was underpinned by a newly board-approved governance, risk and compliance framework with regular audit and risk committee oversight. It also met all employment equity targets while running a lean 8-person team (63 per cent women and 88 per cent black).

## Public Investment Corporation

The PIC is a schedule 3B government business enterprise established in terms of the Public Investment Corporation Act (2004). It is a registered financial services provider wholly owned by government, with the Minister of Finance as shareholder representative. The corporation is mandated to invest funds on behalf of its clients based on mandates agreed with each client and approved by the FSCA. The corporation's clients are public sector entities, including pension, provident, social security, development and guardian funds.

Key achievements during the period under review:

- Assets under management increased by 19.9 per cent year-on-year to R3.66 trillion as at 31 March 2026.
- The PIC's listed investments portfolio was valued at R3.52 trillion by the end of the financial year, across domestic and non-domestic listed asset classes. The total listed fund returned a

positive 23.7 per cent over the past 12 months, outperforming its composite benchmark of 23.4 per cent by 27 basis points on a total return basis. The PIC holds bonds worth R104 billion in Eskom, R11 billion in Transnet and R5 billion in the South African National Roads Agency.

- In terms of unlisted investments (excluding unlisted property investments), the portfolio amounted to R81 billion as at 31 March 2026. During the year under review, investments amounting to R6.3 billion were approved. Significant transactions included investments in Nyanza Light Metals (R1.3 billion), Enko Impact Credit Fund (US$30 million), Zungu Beverages (R825 million) and Daybreak Foods (R300 million).
- The unlisted property portfolio amounted to R58 billion as at 31 March 2026. During the year under review, transactions amounting to R2.5 billion were approved for direct and indirect investments. A significant transaction during the year included a R1.7 billion investment in Balwin Properties.

## South African Revenue Service

In terms of the South African Revenue Service Act (1997), SARS is mandated to collect all revenues due to the state and administer trade to support government in meeting its key growth developmental objectives. This involves facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion.

Key achievements during 2025/26:

- Net revenue collected was R2.01 trillion, an 8.4 per cent increase from the previous year's collection of R1.85 trillion, and R3.39 billion above the revised estimate.
- Processed 10.5 million personal income tax assessments. Included in this were 5.8 million auto-assessments during the filing season. Refunds valued at R46.7 billion were paid to approximately 4 million taxpayers.
- Compliance revenue grew by 4.2 per cent (R12.8 billion) since 2024/25.
- The trade facilitation index increased by 2.2 percentage points, reaching 74.6 per cent from 72.4 per cent in 2024/25.
- Voluntary compliance performed well at 66.4 per cent, slightly above the targeted 64 per cent for the year.
- Conducted 98 illicit economic trade interventions across priority focus areas (tobacco, alcohol and customs duty evasion), including inspections and verifications, seizures/detentions, closure of suspected illicit manufacturing sites and support to law enforcement partners to disrupt syndicate activity. Joint operations with the South African Police Service focused on poultry, clothing and textiles, and illicit alcohol, resulting in 81 detentions valued at R54.2 million.

# 10 PUBLIC ENTITIES REPORTING TO THE MINISTER

- The interagency working group on illicit trade carried out 9 766 seizures valued at R7.8 billion compared with 10 142 seizures valued at R6.29 billion in 2024/25.
- The conviction rate with the National Prosecuting Authority was 100 per cent compared with 98 per cent in 2024/25.

## South African Special Risks Insurance Association

The South African Special Risks Insurance Association is a schedule 3B government business enterprise established in terms of the Conversion of SASRIA Act (1998) and the Companies Act (2008), with government as its sole shareholder. The insurer is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, public disorder and labour disturbances.

Key achievements during 2025/26:

- The gross written premium increased by 9.1 per cent compared to the previous financial year, exceeding the target growth of 8 per cent.
- The association achieved a combined ratio of 40.6 per cent, significantly outperforming the target of 80 per cent.
- Equity on the balance sheet amounted to R23.7 billion as at 31 March 2026, exceeding the target of R20.3 billion.
- The investment portfolio exhibited a net return of R1.3 billion, which is CPI plus 5.47 per cent compared to the target of CPI plus 2.5 per cent.
- None of the 789 claims received during the period were overturned by the National Financial Ombud Scheme. As a result, the overturn rate was 0 per cent compared to the target of less than 0.5 per cent.
- The operational expense ratio was 5 per cent, which is within the targeted 6 per cent to 7 per cent target range.
- The association processed 93 per cent of claims with the prescribed turnaround time against the targeted 85 per cent for the year.
- The association achieved a net promoter score of 70, outperforming the target of 55 as measured through annual surveys.
- The employee turnover rate was 9.96 per cent, which is below the target threshold of less than 10 per cent.

- The association reported a profit before tax of R4.5 billion for the year. This was attributable to a net investment income of R1.3 billion due to an increase in assets under management and favourable interest rates. It posted and an insurance service result profit of R3.3 billion resulting from gross written premium growth and a positive claims experience for clients.

2025/26

National Treasury

# ANNUAL REPORT

## Vote 8

## PART B
## PERFORMANCE INFORMATION

## 1.1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA provides a reasonable assurance opinion on the selected programmes in the management report. All material findings reported therein will be included under the heading, "Report on the audit of the annual performance report in the auditor's report".

Refer to page 333 for the Report of the Auditor-General, published as Part F: Financial information.

# 02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

## 2.1 SERVICE DELIVERY ENVIRONMENT

South Africa's economy strengthened modestly in 2025/26. GDP grew by an annual rate of 1.1 per cent for the 2025 calendar year, up from 0.5 per cent in 2024, but below the 1.4 per cent anticipated in the 2026 Budget Review. While this was a firmer growth outcome than the low base of recent years, it remains well below the rate needed to materially reduce unemployment or meaningfully raise per capita incomes.

The global operating environment during the period under review was dominated by a major shift in the trade policy of the United States. On 2 April 2025, subsequently deemed "Liberation Day" by its administration, the US announced sweeping reciprocal tariffs on its trading partners under the International Emergency Economic Powers Act, including a 30 per cent tariff on South African exports. This took effect on 8 August 2025 after a series of pauses and adjustments over the intervening months. It represented a material shock to South Africa's trade relationship with one of its largest single-country export markets and affected agricultural exports such as citrus, wine, fruit and nuts. However, some categories retained exemptions, including automotive components, and steel and aluminium exports, which were subject to separate Section 232 tariffs.

South African agricultural exports to the US fell sharply in the third quarter of the 2025 calendar year, before recovering somewhat by year-end. Beyond the direct bilateral impact, the announcement contributed to broader global trade fragmentation and elevated policy uncertainty, which weighed on commodity prices, supply chains and investment decisions worldwide for the remainder of the period under review. Global trade growth slowed as a result and policy uncertainty remained elevated relative to earlier periods, even as global inflation continued to moderate and financial conditions remained broadly supportive.

Domestically, structural constraints continued to shape the operating environment, though there were signs of gradual improvement. Load-shedding was suspended from May 2025, and freight rail volumes stabilised over the period. The 25-year concession agreement for Durban container terminal (pier 2) unlocked more than R10 billion in private investment, and open-access rail reforms progressed towards private train operations. Energy costs remained elevated, and inefficiencies in freight logistics and municipal service delivery continued to weigh on investment and the tradable sectors. Real gross fixed-capital formation contracted by a further 2 per cent in 2025 (although this was a smaller contraction than the 3.9 per cent recorded in 2024, there was still no recovery). Private investment was not expected to regain momentum until 2027, even as the reform environment improved.

Consumer price inflation continued to ease over the period under review. In November 2025, the Minister of Finance announced a new, lower inflation target of 3 per cent with a 1 percentage point tolerance band, which was expected to anchor inflation expectations at a lower level and

reduce inflation over time. By the end of 2025, SARB had reduced its policy rate to 6.75 per cent, and South Africa had received its first sovereign credit rating upgrade from a major agency in 16 years, reflecting improved investor confidence.

On the fiscal front, the 2025 MTBPS and the 2026 Budget Review maintained a consistent focus on stabilising debt, investing in infrastructure and improving the efficiency and composition of public spending. The consolidated budget deficit narrowed to 4.5 per cent of GDP in 2025/26. The downward trend was expected to continue over the medium-term expenditure framework (MTEF) period, reaching an anticipated 3.1 per cent of GDP by 2028/29, supported by expenditure restraint and improved revenue collection. Gross tax revenue for 2025/26 was revised upwards by R21.3 billion relative to the 2025 Budget, and the tax-to-GDP ratio increased to 25.9 per cent from 25.1 per cent in 2024/25. The primary balance remained in surplus, thereby anchoring the debt trajectory. Infrastructure allocations were expected to surpass R1 trillion over the medium term, while R12 billion in targeted savings were identified and reallocated. Debt-service costs, nonetheless, continued to absorb a significant share of revenue, which underscored the importance of sustained primary surpluses and reinforced the case for the principles-based fiscal anchor.

A significant institutional development during the period under review was South Africa's removal from the FATF's greylist in October 2025, reflecting tangible improvements in anti-money laundering and counter-terrorism financing frameworks, enforcement capacity and supervisory effectiveness. Being greylisted had caused heightened perceptions of institutional and regulatory risk, as well as increased due diligence costs for cross-border transactions. Removal from the greylist was expected to reduce a structural source of reputational risk and, alongside fiscal consolidation and the shift to a 3 per cent inflation target, reinforce the broader strategy of anchoring South Africa's sovereign risk premium. Preparations have since begun for the next FATF mutual evaluation, which will run from mid-2026 to October 2027.

Labour market outcomes in 2025/26 reflected ongoing structural weaknesses in growth. Statistics South Africa's Quarterly Labour Force Survey showed the official unemployment rate dropping from 31.9 per cent in the third quarter of 2025 to 31.4 per cent in the following quarter. During this period, total employment increased slightly from 17.055 million to 17.099 million, while the number of unemployed people decreased from 8 million to 7.8 million. However, the first quarter of 2026 saw a sharp reversal, where the unemployment rate rose to 32.7 per cent, employment dropped by 345 000 to 16.8 million, and the number of unemployed people increased by 301 000 to 8.1 million.

Unemployment among young people (ages 15-24) reached 60.9 per cent in the first quarter of 2026. This downturn highlighted the fragile nature of the employment recovery. During this period, government measures such as the expanded public works programme, the community works programme and the presidential employment initiative provided income support and temporary jobs for vulnerable groups, creating or facilitating hundreds of thousands of work

opportunities. The Jobs Fund attracted private co-funding to support job creation and internships, while the social relief of distress grant continued offering income support to millions.

During the period under review, the second phase of Operation Vulindlela continued to advance the implementation of priority structural reforms across electricity, freight logistics, water, visa administration, local government and digital public infrastructure. In electricity, the pipeline of confirmed private investment in renewable energy increased from 4 000 megawatts (MW) in March 2022 to more than 36 000 MW by March 2026 and load-shedding was suspended from May 2025. In addition, regulatory approvals for electricity trading and grid capacity allocation were finalised, which supported the transition towards a more competitive wholesale market.

The freight logistics roadmap, which was adopted December 2023, and the network statement, published in December 2024, enabled third-party access to the freight rail network for the first time, alongside the first private-sector participation at the Port of Durban.

The water-use licence turnaround time was cut from 300 days to 90 days, clearing a backlog of 1 000 applications and contributing an estimated R56.5 billion to GDP and about 2 500 jobs since 2022. Preparations for the establishment of the National Water Resources Infrastructure Agency also advanced significantly during the period under review, with the agency's commencement targeted for April 2026. The Water Services Amendment Bill was tabled in Parliament to give national government greater capacity to intervene in municipal water revenue management.

Home Affairs cleared a backlog of more than 300 000 applications and fast-tracked visas for more than 100 000 tourists, including from new source markets such as India and China, by mid-2025.

**Local government** finances remained a significant risk within Operation Vulindlela's current scope. As per the 2026 Budget Review, 88 municipalities had unfunded budgets and limited capacity to maintain infrastructure and sustain services, with weak revenue collection and a failure to ring-fence bulk service collections identified as key drivers. A total of 29 municipalities were under mandatory financial recovery plans in terms of section 139(5) of the Constitution, though implementation was slower than anticipated in 2025/26, in part because responsibility for these plans rests with the troubled municipalities themselves. The MFMA Amendment Bill, which was scheduled for public comment in early 2026, is expected to enforce funded budgets and give national and provincial treasuries more decisive intervention powers, informed by the revised White Paper on Local Government. This work sits directly within Operation Vulindlela's local government reform agenda as part of its second phase and reflects the shift towards more active structural intervention in underperforming municipalities.

Figure 1: Real GDP growth and projections[2]

*Sources: Statistics South Africa and 2026 Budget Review*

## Economic outlook

Looking beyond the review period, medium-term economic prospects are cautiously optimistic, underpinned by the reform momentum built in the energy, freight logistics and water sectors during 2025/26. The 2026 Budget Review projected real GDP growth to increase from 1.4 per cent in 2025 to 1.6 per cent in 2026, 1.8 per cent in 2027 and 2 per cent in 2028. However, the subsequent 2025 full-year actual outcome of 1.1 per cent came in below this projection, underscoring the continued downside risk to the growth path. An improving trajectory is still expected over the medium term, though it remains below the pace required to materially reduce unemployment or significantly raise per capita incomes. Risks to this outlook remain material: volatile global commodity prices amplified by ongoing geopolitical tensions; the emergence of more restrictive global trade policy, including further tariff escalation; and the pace of implementation of remaining structural reforms, particularly in freight logistics and municipal service delivery, will be key determinants of whether the improving growth trajectory is sustained.

# 02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

US trade policy remains a live risk to the outlook and continued to evolve after the close of the review period. The US Supreme Court struck down the "Liberation Day" tariffs in early 2026, prompting the US Trade Representative to open a section 301(b) investigation on 12 March 2026 into South Africa and 59 other countries, on grounds relating to labour and import practice concerns. Pending the outcome, South African exports faced an interim 10 per cent tariff under section 122 of the Trade Act (effective 24 February 2026, following the Supreme Court's ruling), while section 232 tariffs of 25 per cent continued to apply separately to steel, aluminium, automobiles and components.

The section 301 process concluded after the close of 2025/26: on 2 June 2026, the US Trade Representative found South Africa's enforcement of forced labour import prohibitions inadequate; and on 24 July 2026, implemented a 12.5 per cent tariff on most South African exports to the US (replacing the interim section 122 tariff), with exemptions for products including macadamia nuts, citrus, tea, platinum-group and precious metals, and pharmaceuticals. This is a materially lower rate than the original 30 per cent "Liberation Day" tariff, though it represents a further, now-settled cost to South Africa's trade relationship with the US going into 2026/27.

Table 1: Macroeconomic projections (2026 Budget Overview)

| | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| **Percentage change** | **Actual** | **Estimate** | **Forecast** | | |
| Final household consumption | 1.0 | 3.1 | 1.8 | 2.0 | 2.2 |
| Final government consumption | -0.1 | 0.3 | 2.4 | 0.0 | 0.3 |
| Gross fixed-capital formation | -3.9 | -2.0 | 2.4 | 3.3 | 3.9 |
| Gross domestic expenditure | -0.6 | 2.2 | 2.0 | 1.9 | 2.1 |
| Exports | -2.8 | -2.0 | 1.6 | 2.4 | 2.9 |
| Imports | -6.4 | 1.0 | 3.0 | 2.9 | 3.1 |
| **Real GDP growth** | **0.5** | **1.4** | **1.6** | **1.8** | **2.0** |
| GDP inflation | 3.9 | 2.5 | 4.1 | 3.4 | 3.3 |
| **GDP at current prices (R billion)** | **7,352** | **7,642** | **8,085** | **8,506** | **8,965** |
| CPI inflation | 4.4 | 3.2 | 3.4 | 3.3 | 3.2 |
| Current account balance (% of GDP) | -0.7 | -0.9 | -1.0 | -1.2 | -1.3 |

*Sources: National Treasury, 2026 Budget Review*

## Labour market dynamics

The labour market continued to face severe structural challenges in 2025/26, with the unemployment rate remaining above 30 per cent throughout the review period. This persistently high rate reflects the still-subdued level of economic growth relative to South Africa's labour absorption needs. According to the Presidency's February 2026 report, titled The Presidential Employment Stimulus: Building a Society That Works, public employment programmes had

collectively created 2.5 million jobs, opportunities and livelihood support placements since the presidential employment initiative, which was launched in October 2020, and continued to contribute meaningfully to labour market outcomes over the medium term.

*Fiscal policy landscape*

Government maintained its focus on fiscal sustainability in 2025/26, continuing the consolidation path set out in previous budgets. Gross loan debt increased to 78.9 per cent of GDP in 2025/26, up from 77 per cent in 2024/25. This marks the peak of the debt ratio as forecast, the first such turning point since it began increasing after 2008/09. The 2026 Budget Review projected further decreases, to 77.3 per cent in 2026/27, 77 per cent in 2027/28 and 76.5 per cent by 2028/29. Debt-service costs peaked as a share of revenue in 2025/26 at 21.3 per cent (up from 8.8 per cent in 2008/09) and were projected to decrease to 20.2 per cent of revenue by 2028/29 as consolidation continues.

The primary budget surplus achieved in 2023/24, the first in 15 years, was sustained in 2024/25 and, according to the 2026 Budget Review, was estimated to continue in 2025/26, underscoring the durability of the fiscal consolidation effort. Social protection remained a cornerstone of government spending, with the social wage accounting for 59.8 per cent of non-interest spending in 2025/26 (a revised estimate, down slightly from 60.4 per cent in 2024/25), reflecting government's continued commitment to reducing inequality and supporting vulnerable populations.

Infrastructure investment remained a key focus during the review period, with consolidated government payments for capital assets revised to R130.3 billion in 2025/26, up from more than R116 billion in 2024/25.

Government's economic strategy for 2025/26 continued to rest on the same four pillars set out in prior policy documents, restated in the 2026 Budget Review as four elements: macroeconomic stability, enhanced by a consistent focus on stronger public finances and a reduction of the inflation target to 3 per cent; structural reforms led by Operation Vulindlela, which increased private sector participation in strategic areas of the economy; reforms to build state capacity, focused on improving the effective delivery of public goods and services, alongside steps to arrest and reverse deteriorating local government finances; and increased funding for strategic capital projects, alongside reformed institutional arrangements to accelerate infrastructure delivery.

On infrastructure financing, the BFI was reconfigured in 2025 to run quarterly submission windows rather than an annual cycle, as was done previously. In the first three windows of 2025/26, 42 projects with a combined capital cost of R438.8 billion were received, of which 10 were accepted into the pipeline. The Infrastructure Fund, which was established in 2019, has supported the packaging and financial structuring of 26 blended finance projects with a combined capital value of R130.8 billion, securing R51.3 billion from the BFI and expecting to crowd in a further R67.3 billion in private capital. This was the fund's final year as a standalone

vehicle: on 31 March 2026, the Minister of Finance launched the Infrastructure Finance and Implementation Support Agency (IFISA), consolidating the Infrastructure Fund with the PPP unit, the capital projects appraisal unit and the neighbourhood development partnership programme into a single structure housed within the Development Bank of Southern Africa. IFISA, which became operational from 1 April 2026, is mandated to mobilise private finance and technical expertise at scale and reduce the state's reliance on the fiscus for infrastructure delivery.

### Structural reform initiatives

The scope of the second phase of Operation Vulindlela covers electricity, freight logistics, water, visa administration, local government and digital public infrastructure. Related reforms increased private sector participation in strategic areas of the economy during the review period, particularly in freight rail. The programme will expand over the next 3 years to support improved municipal performance. Priorities for the period ahead include completing Eskom's restructuring, transforming ports and rail to boost exports, ensuring a reliable supply of safe drinking water, creating dynamic and integrated cities, improving internet access and data exchange and finalising the visa reform programme.

### International engagement

South Africa's G20 presidency concluded with the first G20 summit held on African soil, in Johannesburg from 22-23 November 2025. Leaders who attended the summit adopted a 122-paragraph declaration under the theme "Solidarity, Equality, Sustainability". Concrete outcomes included the launch of the Partnership for African Infrastructure, the establishment of an Africa expert panel chaired by former finance minister Trevor Manuel, the G20 high-level principles framework for the recovery of seized and confiscated assets, and commitments to strengthen the common framework for debt treatment and debt transparency.

The G20 presidency was passed on to the United States for 2026 in a ceremonial handover to a US embassy official, as President Donald Trump did not attend the summit. On 27 November 2025, Trump announced that South Africa would not be invited to the 2026 summit in Miami. In response, to avoid further diplomatic escalation, the Minister of Finance Minister confirmed in January 2026 that South Africa would temporarily withdraw from G20 engagements for the duration of the US presidency.

## 2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The department's mandate is derived from Chapter 13, Section 216(1) of the Constitution of the Republic of South Africa, which requires the establishment of a National Treasury to ensure transparency, accountability and sound financial controls in the management of public finances.

This mandate is further elaborated through the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA) in terms of which the National Treasury is required to:

- Promote the national government's fiscal policy and coordinate macroeconomic policy.
- Ensure the stability and soundness of the financial system and financial services.
- Coordinate intergovernmental financial and fiscal relations.
- Manage the national budget preparation process.
- Enforce transparency and effective management of revenue and expenditure, assets and liabilities, public entities and constitutional institutions.
- Monitor municipal budgets and promote sound fiscal management in municipalities.
- Support compliance, accountability, reporting and financial management across all spheres of government.
- Issue regulations and standards relating to public financial management, budgeting, procurement, financial reporting, borrowing, expenditure management and accountability.

**Organisational restructuring and institutional realignment**

The National Treasury implemented its approved organisational structure during 2025/26 following approval by the Minister of Finance on 21 March 2025. The restructuring was undertaken to position the department more effectively to respond to the evolving requirements of its constitutional and legislative mandate, while supporting the implementation of the 2025–2030 Strategic Plan and the 2024–2029 Medium-Term Development Plan. The new structure strengthens institutional capability, enhances organisational effectiveness and promotes greater alignment between the department's mandate, strategic priorities and resource allocation. Through this process, the National Treasury has reinforced its capacity to deliver on its core responsibilities and advance government's developmental objectives

A review to better align the department's budget programme structure was conducted culminating in the reduction of the number of budget programmes from 8 to 5. Functions previously located in programmes 6, 7 and 8 were consolidated and appropriately assigned predominantly within programme 2. This realignment strengthened the linkage between the organisational structure, strategic priorities, programmes and the allocation of financial resources.

# 02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

The revised programme structure is detailed in the following table:

| Programme | Divisions |
|---|---|
| Programme 1: Administration | • Office of the Director-General<br>• Office of the General Counsel<br>• Corporate Services |
| Programme 2: Economic Policy and International Cooperation, Tax, Financial Regulation and Research | • Economic Policy and International Cooperation<br>• Tax and Financial Sector Policy |
| Programme 3: Public Finance and Budget Management | • Public Finance<br>• Budget Office Intergovernmental Relations |
| Programme 4: Asset and Liability Management | • Asset and Liability Management |
| Programme 5: Financial Governance, Reporting and Supply Chain Management Systems | • Office of the Accountant-General<br>• Office of the Chief Procurement Officer |

**Organisational environment: Institutional capability plan**

In support of its 2025-2030 strategic plan, the department is committed to achieving and sustaining a resilient, well-resourced and high-performing institution that effectively fulfils its constitutional mandate. Central to this commitment is ensuring that the department has access to the best capacity and most appropriate capabilities available to harness innovation in support of its priorities and future institutional needs.

During the period under review, the National Treasury commenced with the development of a 5-year institutional capability plan for the period 2025-2030. The plan, which is expected to be finalised in 2026/27, introduces an innovative new layer to the department's planning ecosystem, providing a structured framework to assess current institutional capability, identify capability gaps, and determine the organisational capacity and resources required to deliver on its mandate and strategic priorities over the next 5 years.

**Review on efficiency of support programmes**

During the reporting period, the National Treasury undertook a number of reviews to assess the extent to which initiatives and processes remain strategically aligned to the department's mandate and priorities. These reviews evaluated appropriately structured, effective and efficient in achieving their intended outcomes, while also assessing value for money and overall delivery impact. The findings are intended to inform organisational decision-making, strengthen performance, optimise resource allocation and ensure continued meaningful contribution to the achievement of the department's strategic objectives.

These included:

- All provincial and local government support programmes offered by the National Treasury.
- Remuneration of public entities' board members.
- Infrastructure conditional grant review.
- Active labour market participation programmes.

Strategic to the department's modenisation agenda, an evaluation of ICT services was conducted to determine their effectiveness. This included assessing the extent to which services support the department to fulfil its mandates, a value for money and efficiency of ICT spend assessment, identification of potential savings, inefficiencies, or overspending and benchmarking against similar policy departments.

**Automating performance monitoring and management in Programme 1: Administration**

The strategy, planning, monitoring and evaluation unit continued to use the automated organisational performance monitoring and management system to facilitate the systematic reporting and monitoring of organisational performance information on a quarterly basis. The system is an integrated solution for modernising and automating the department's planning, monitoring and reporting ecosystem. It integrates risk, organisational performance planning, monitoring and reporting, demand planning, budgeting, and IT planning on a single IT platform, and links to the audit findings register and human resources performance management and development system.

**Information and Communication Technology**

During the reporting period, the department continued to implement its 3-year ICT plan, which commenced in 2023/24, to advance technology innovation and strengthen digital capability across the organisation. Oversight of the plan's implementation was provided by the ICT governance committee, a multidisciplinary forum comprising representatives from all divisions. The committee monitors the delivery of the following strategic ICT initiatives: the document management system to enhance the tracking of the official memorandum for the Office of the Director-General; Microsoft cybersecurity improvements, e-Leave phase 1, the human resources online exit form, the OCPO register, the ministry digital platform, and the HEAT voice system. These initiatives are aimed at modernising business processes, improving operational efficiency, strengthening information security, and enhancing service delivery across the Department.

In 2025/26, the department's operations were enabled by delivering reliable and secure technology services. This included ensuring compliance with ICT service-level agreements (SLAs) relating to network services, server storage, system availability, operational-level agreements and business application performance. The enterprise-wide cybersecurity controls

and business continuity measures were maintained to safeguard the department's information assets and ensure operational resilience.

In support of the department's broader mandate, in 2025/26, the operations and oversight of the central supplier database continued, and the functionality and availability of government financial management and accounting systems was advanced and maintained.

The department's ICT services continued to enable National Treasury employees to work securely from remote locations in support of the department's rotational working model. The adoption of cloud-based solutions during the period under review enhanced business operations by providing employees with secure access to information and applications from any location and across multiple devices, while strengthening collaboration and communication through modern digital platforms.

These capabilities have improved business continuity by ensuring the secure delivery of critical services and facilitating seamless collaboration with external stakeholders. In addition, the implementation of various Microsoft applications has provided employees with enhanced insights into their work patterns, productivity, time management and wellbeing, contributing to a more connected, efficient and digitally enabled workplace.

**Digitalisation committee**

At the beginning of 2025/26, the Director-General established and chairs a Public Finance Management Digitalisation Task Team to provide strategic leadership, oversight, and coordination of digital initiatives across the organisation. The committee is responsible for driving the adoption of innovative technologies, strengthening business process digitisation, promoting data-driven decision-making, and ensuring alignment between digital investments and the department's strategic priorities. It also serves as a platform for resolving cross-divisional implementation challenges, monitoring the progress of key digital transformation projects and fostering collaboration to improve organisational efficiency, service delivery and governance through the effective use of technology.

**Director-General's engagement with staff**

During the reporting period, the Director-General strengthened internal communication and staff engagement by issuing regular staff communication briefs and continuing to host interactive DG-in-Discussion engagement sessions with all National Treasury employees via Microsoft Teams. These sessions provided a platform for sharing key organisational developments, addressing staff concerns, promoting transparency, and fostering ongoing dialogue between management and employees.

**New office accommodation**

During the period under review, the department continued to advance preparations for its relocation to new office accommodation. As at 31 March 2026, the project was at an advanced stage, with the relocation expected to be implemented in phases and completed during 2026.

The move is anticipated to generate significant savings through reduced rental and service charges, demonstrating the department's commitment to prudent financial management and the efficient utilisation of public resources. In addition, the new accommodation will provide employees with a modern, functional and fit-for-purpose working environment that supports collaboration, productivity and employee wellbeing.

## 2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no new key policy developments during this reporting period.

### Key legislative changes made during the reporting period:

**Legislation promulgated in 2025/26:**

1. Public Sector Pension and Related Payments Act, 2025

**Purpose**

Provides that certain public sector pension, post-retirement medical and other pension related benefits under legislation and collective agreements are direct charges against the National Revenue Fund.

2025/26
National Treasury

# ANNUAL REPORT

## Vote 8

## PART B
## PERFORMANCE INFORMATION

INSTITUTIONAL **IMPACTS AND OUTCOMES**

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
|---|---|
| **Programme 1: Administration**<br>The programme ensures effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of its organisational strategy and structure in line with appropriate legislation and best practice. | **Corporate Services**<br>**Human resources management**<br>In 2025/26, the department continued to ensure a high percentage of women's representation at the SMS level and improved on its targets regarding people with disabilities. The graduate development programme continued to be a pipeline for entry-level positions in the department. A proportion of young people were successfully recruited into permanent employment opportunities within National Treasury, a significant number mainly came from the graduate development programme, clearly demonstrating progress towards the five-year institutional capacity-building targets. Mentorship and coaching initiatives are structured and continuously rolled out to employees as part of their developmental journey. The department also implemented formal leadership and management development programmes to assist in developing the leadership competencies of current and future leaders. But the department also encouraged rotation as a means of continuous professional development and retention.<br>The department had in place, among other things, international exposure for its employees through secondments, as well as leadership and development interventions that create opportunities for employees and serve as employee engagement and retention mechanisms.<br>**ICT**<br>The ICT unit facilitated the procurement and commissioning of technology solutions for the new NT premises including a new network and high-end audiovisual/conferencing technology.<br>Further enhancements were added to MS Teams to allow users to make external telephone calls, with the view to ultimately replace traditional telephones.<br>To enhance productivity, the ICT unit also leveraged data analytics and business intelligence technologies during the period under review. These tools enabled the measurement of productivity and collaboration across different work settings, including at the office, home and other locations, regardless of the device being used.<br>A strong emphasis was placed on information security and risk mitigation, including improved access control mechanisms, and the strengthening of identity and access management processes. Cybersecurity monitoring capabilities were reinforced to enable early detection and response to potential threats. |

| | |
|---|---|
| | **Knowledge management**<br><br>The knowledge management unit continued to develop the integrated knowledge management system while spearheading the Ndzhaka ("inheritance") project with the human resources management unit. This project seeks to harvest, harness and retain institutional memory. Work was done to assist divisions with business processes as well as support the organisational development team. The unit continued to organise and facilitate knowledge-sharing events through the procurement, infrastructure and knowledge management project.<br><br>**Records management**<br><br>The records management unit continued to provide support to the National Treasury, GTAC and the Ministry of Finance to comply with the National Archives and Records Service of South Africa Act (1996). The Privacy Statement was developed and approved in compliance with the Protection of Personal Information Act (POPIA) . Requests for records in terms of the Promotion of Access to Information Act (PAIA) were facilitated in collaboration with the Knowledge Management.<br><br>**Security management**<br><br>Through the Security Management unit, the department continued to deliver on its commitment to creating and sustaining, as far as possible, a risk-free operating environment that safeguards lives and protects classified and sensitive information, assets and internal business processes. During the reporting period, a safety, health, environment, risk and quality committee convened on a quarterly basis to ensure that the National Treasury monitors compliance with the Occupational Health and Safety Act (1993) and its regulations.<br><br>Members of the occupational health and safety committee were trained on first aid level One (1).<br><br>Building inspections were conducted quarterly to identify any potential hazards in line with the prescripts.<br><br>Vetting of employees continued in accordance with levels of access to sensitive state information. Compliance with the vetting prescripts was 99.9 per cent for the period under review. Over the same period.<br><br>Personnel Suitability Checks were conducted on all prospective candidates. Contractors who rendered services on behalf of the National Treasury were subjected to the screening process. In conjunction with the law enforcement agencies stringent security measures were in place to safeguard the G20 Ministerial and working group meetings, national budget information including the MTBPS and Budget Speech process. |

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| | **Facilities management**<br><br>During 2025/26, a key milestone for the department was the successful acquisition of temporary office accommodation to support business continuity and provide a stable operating environment pending the implementation of a permanent accommodation solution. A five-year lease agreement was concluded during the reporting period, representing a significant step towards addressing the department's accommodation requirements. Substantial progress was also made on tenant installation and fit-out activities, which were nearing completion by the end of the reporting period, with occupation of the premises envisaged for June 2026.<br><br>The department continued to ensure that its facilities remained conducive to productivity, safety and operational efficiency while managing transitional accommodation arrangements. In parallel, engagements with the Government Technical Advisory Centre (GTAC) progressed regarding the development of a permanent departmental accommodation solution through a Public-Private Partnership (PPP) model aimed at providing a sustainable long-term accommodation solution aligned with the department's future operational requirements.<br>Lease renewal discussions with the State Information Technology Agency and the Department of Public Works and Infrastructure, on behalf of the National Treasury, for the Centurion office are expected to commence during the 2026/27 financial year.<br><br>**Office of the Director-General**<br><br>**Risk management**<br><br>In 2024/25, the risk management unit carried out its core functions at the strategic and operational levels. Its strengthened integration of risk management with planning, performance and audit activities has resulted in credible and timely risk reporting to ensure improved decision-making. The risk and compliance management policy was approved to align risk and compliance systems with best practice. As a result, during the period under review, the department maintained a risk maturity level of 5 through ongoing initiatives to improve its risk management culture.<br><br>The business impact analysis project was completed within budget in the year under review. The project identified critical business processes, their resourcing needs and associated risks to inform strategic decision-making and interventions. The department's pursuit of organisational resilience is underpinned by hybrid working strategies, the use of virtual private networks (VPNs) and enhanced incident management processes.<br><br>The anti-corruption and ethics management policy was implemented in relation to disclosures of financial interests for SMS and non-SMS staff, the management of remunerative work outside the public service and gifts received, among other things. The ethics management and anti-corruption efforts include defined processes for conducting lifestyle reviews, annual reviews of the ethics and anti-corruption risk profile, rolling awareness initiatives, and investigations into allegations of fraud and corruption. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | **Internal audit**<br><br>The internal audit unit implemented its annual risk-based audit plan for 2024/25 as part of its three-year rolling plan, after consultation with management and approval by the National Treasury's audit committee. Accordingly, 22 internal audit assignments were approved and planned for in the revised audit plan for the year under review.<br><br>All 22 assignments were completed and reported on. In addition, 11 ad hoc internal audit assignments were executed and reported on, bringing the total to 33 assignments completed. All audits and other work of the unit was conducted in accordance with the Institute of Internal Auditors' Global Internal Audit Standards.<br><br>**Strategic planning, monitoring and evaluation**<br><br>The strategic planning, monitoring and evaluation unit continued to advance its efforts to strengthen the department's planning and monitoring functions.<br><br>Towards the end of the year under review, the 2025-2030 strategic plan was developed through a robust consultative process that featured strategic planning sessions with all 11 divisions, facilitated by the unit.<br><br>The 2020-2025 mid-term report was consolidated and submitted to the Department of Planning, Monitoring and Evaluation as required.<br><br>At its core, performance monitoring serves as the link between strategic planning and implementation, enabling the department to make evidence-based decisions, improve efficiency and deliver meaningful developmental outcomes. To this end, in 2024/25, quarterly departmental performance reports were consolidated and submitted to executive management and regulatory stakeholders.<br><br>The period under review was the second year of rolling out the organisational performance management system, which is aimed at integrating the department's planning, budgeting, risk management, auditing and procurement processes. The system was successfully used to produce quarterly performance reports. The full rollout was ongoing as at 31 March 2025.<br><br>The unit also collated and submitted ad hoc reports as required by various stakeholders. Some highlights included the report on the implementation of the Zondo Commission's recommendations, which was submitted to the Department of Planning, Monitoring and Evaluation quarterly; the report on the implementation of the mainstreaming of gender, youth and persons with disabilities, submitted biannually to the Department of Women, Youth and Persons with Disabilities. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | **Communications**<br><br>The communications unit ensured transparent, inclusive and impactful communication aligned with the National Treasury's mandate. Through targeted messaging, strategic engagement and accessible design elements, including the use of sign language, the unit strengthened public understanding of the department and its operations, broadened its reach and reinforced its credibility across diverse audiences.<br><br>**Legal services**<br><br>The legal services unit is responsible for providing a comprehensive legal advisory service to the National Treasury to execute its mandate effectively, within legal parameters. During the period under review, the unit provided civil litigation services in cases involving a complex mix of law and policy that relate to constitutional attacks on legislation, procurement, special pensions, labour and general litigation.<br><br>**Legislation**<br><br>The legislation unit continued to develop and process annual budget and other draft legislation, as well as scrutinise subordinate legislation according to the needs identified by the National Treasury and, more broadly, government. It provided input on draft legislation developed by other departments that impacts on the National Treasury's mandate and the fiscus. It also provided legal advice on a range of matters to assist the National Treasury with implementing its mandate and ensuring that its internal operations are legally sound. |
| **Programme 2: Economic Policy, Tax, Financial Regulation and Research**<br><br>This programme aims to promote economic policy coherence around the objectives of growth and jobs and improve South Africa's macroeconomic and microeconomic frameworks by conducting ongoing analysis, research and policy advisory services. The programme supports economic growth, employment and macroeconomic stability and retirement reform by:<br><br>• Developing tax policy proposals and supporting tax legislation for the annual budget<br><br>• Monitoring the collection of | **Economic Policy**<br><br>The division conducts economic research and manages the Southern Africa – Towards Inclusive Economic Development research programme. The programme produces high-quality, evidence-based policy research and builds state capacity for economic policy development and implementation.<br><br>During the reporting period, the division:<br>• analysed and monitored the monetary and exchange rate policies and framework to support competitiveness, price stability and economic growth<br>• analysed and monitored macroeconomic variables and the policy framework to support sustainable economic growth<br>• analysed South Africa's labour market landscape<br>• analysed submissions from the International Trade Administration Commission<br>• provided input into key policy processes, including actions taken towards reforming the electricity sector and facilitating a just transition in the energy sector |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| revenue through ongoing consultation with relevant stakeholders and analysing the factors determining tax collection<br>• Providing macroeconomic forecasts and scenario modelling.<br>• Providing economic policy analysis, research, assessment and advice on macro and microeconomics, including government policy proposals. | • provided technical support to Operation Vulindlela to accelerate the implementation of structural reforms.<br><br>Strategic priorities supported by the division included producing quarterly macroeconomic and revenue forecasts that underpin the fiscal framework; and formulating and assessing growth policy, including structural reform priorities.<br><br>**Tax and Financial Policy Sector**<br><br>The May 2025 Budget Overview included tax proposals prepared by the division and approved by the Minister of Finance. These proposals included tax increases of R18 billion in 2025/26 and to provide R1 billion in tax relief in 2026/27 as part of a package of measures to stabilise public finances. An additional R20 billion in tax revenue was included in the fiscal framework for 2026/27 but was reassessed at the time of the 2026 Budget. The revenue raising measures were implemented alongside numerous technical tax proposals that were included in annexure C of 2025 Budget Review, as well as chapter 3 of the May 2025 Budget Overview.<br><br>The division prepared and published the necessary tax legislation to give effect to these proposals. The tax bills for the 2025 Budget were tabled and adopted by Parliament and enacted after consultation and engagements with the standing and select committees on finance. The division also monitored revenue collected by SARS throughout the year as part of their debt collection efforts.<br><br>The Money Smart Week South Africa campaign continued to demonstrate its value as a collaborative financial education platform, with the 2025 campaign having an estimated reach of 14.4 million consumers through radio, print, social media and web-based communication channels.<br><br>To transition from the financial inclusion policy to implementation, during the period under review, the division coordinated the financial inclusion working group and financial inclusion forum, which leads the development of South Africa's first national financial inclusion strategy.<br><br>In 2025/26, the division, along with other government departments and agencies, continued working on strengthening the country's anti-money laundering system. This culminated in South Africa fully addressing all 22 action items that had been identified by the FATF in February 2023 that led to the country being greylisted. The completion of the action plan and a subsequent positive assessment by an FATF review team that undertook an onsite visit to South Africa in July 2025 resulted in being removed from the greylist in October 2025. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | The division continued collaborating with SARB, the Prudential Authority and FSCA in the ongoing process of drafting the Financial Markets Amendment Bill. The bill proposes revisions to the Financial Markets Act (2012) to enhance the competitiveness of South Africa's financial markets, support broader market participation and position South Africa as a premier investment destination.<br><br>Working with SARB, the division continued with the process of developing a new capital flows management framework, which seeks to modernise South Africa's approach to managing cross-border capital flows through a greater focus on the reporting and surveillance of high-impact and high-risk cross-border transactions and combating illicit financial flows. Accordingly, during the period under review, the division drafted the capital flow management regulations, which, once finalised, will replace the exchange control regulations of 1961. |
| **Programme 3: Public Finance and Budget Management**<br><br>This programme aims to promote growth, social development and poverty reduction through sound fiscal and financial policies and effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by:<br><br>• Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities<br><br>• Managing the annual budget process and providing public finance management support. | **Budget Office**<br><br>The BFI serves as a centralised gateway for large-scale infrastructure proposal requiring fiscal support to advance. It has established robust multidisciplinary governance structures, supported by clearly defined procedures and evaluation criteria, to inform evidence-based investment decisions. In so doing, the BFI plays a critical role in supporting sound fiscal policy, ensuring the efficient and prioritised allocation of public resources and advancing projects that stimulate economic growth.<br><br>As part of its reconfiguration, the facility enables earlier engagement with public institutions, supporting the development of a continuous and investment-ready pipeline. It also separates the evaluation from financing decisions and the budget process, thereby strengthening decision-making and fiscal oversight. It also facilitates the crowding-in of non-fiscal resources to enhance the scale and sustainability of infrastructure investment.<br><br>Treasury approvals, as well as Treasury views and recommendations, were issued for public-private partnership (PPP) projects across the national, provincial, and municipal spheres. This supported the advancement of a pipeline of infrastructure investments that contribute to economic growth and access to public services. These approvals form a critical component of government's approach to leveraging private sector participation in public infrastructure delivery.<br><br>In advancing the PPP reform agenda, amendments to National Treasury Regulation 16 (NTR 16) were gazetted on 7 February 2025 and came into effect on 1 June 2025. This was complemented by the finalisation of guidelines for Fiscal Commitments and Contingent Liabilities as well as the Unsolicited Bid Proposals. These reforms strengthen regulatory clarity, enhance fiscal risk management, and improve the governance, appraisal and execution of PPP projects. |

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| | The Infrastructure Fund's mandate is to maximise private-sector capital in blended finance projects while facilitating early financial closure. By leveraging public funds to crowd in private capital, the Fund contributes to supporting economic growth, deepening private sector participation in public infrastructure delivery, and enabling more efficient and appropriate allocation of project risks between the public and private sectors. This approach enhances value for money while supporting the sustainability of public finances.<br><br>The National Treasury will continue to play a central role in safeguarding the sustainability of the public finances, strengthen the credibility of fiscal policy and ensure that public resources are allocated in a manner that supports economic growth, social protection and long-term development.<br><br>Fiscal policy balances the need to narrow the budget deficit and reduce debt with the obligation to protect public services and support the economy. Low growth and high debt-service costs have made this balance difficult, but it remains the most sustainable policy stance. Through prudent stewardship of the public finances, government is beginning to see the results of its efforts reflected in the achievement of a primary surplus – with revenue exceeding non-interest expenditure – for three consecutive years since 2023/24. Maintaining a growing primary surplus over the forecast period is critical for the fiscal strategy.<br><br>Government's medium-term fiscal strategy is to stabilize the debt-to-GDP ratio in 2025/26 and reduce it through the rest of the decade by growing the main budget primary surplus. To achieve this, government will:<br><br>• Support economic growth by withdrawing previously proposed tax increases for 2026/27 while accelerating public investment.<br>• Improve the efficiency of spending by implementing the Targeted and Responsible Savings (TARS) initiative.<br>• Improve the composition of spending by containing the public-service wage bill while increasing capital investment.<br>• Entrench sustainable public finances with a principles-led fiscal anchor.<br><br>**Intergovernmental Relations**<br><br>In its efforts to improve the administration of public finances, planning and budgeting, the division provided non-accredited training on the infrastructure delivery management system and the framework for infrastructure delivery and procurement management to 500 government officials across all three spheres of government. |

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| | The training on the three infrastructure delivery management system modules (supply chain management, planning and budgeting, and performance and risk management) accredited as unit standards by the Public Service Sector Education and Training Authority was conducted for officials from national and provincial departments and municipalities. Upon completion of the portfolio of evidence, which will be evaluated by the authority, the officials will receive accreditation for the unit standards attended.<br><br>Due to the slow recovery of the built environment sector from the effects of the COVID-19 pandemic, the implementation of the infrastructure skills development grant has produced only 70 professionally registered built environment professionals since 2019/20. All 70 have been permanently appointed in government.<br><br>The infrastructure delivery management system body of knowledge platform is available for all officials to get access to updated infrastructure delivery management system toolkits, knowledge management information, online discussion forums and help desk functions for any queries related to infrastructure. Another successfully initiated reform is the infrastructure reporting model for reporting the infrastructure budgets and projects of national departments in a central repository, as was done for provinces. The model has been customised similarly for local municipalities and is ready for deployment. It has created an opportunity to provide training to national government on the implementation of sound monitoring systems for infrastructure delivery and built environment performance.<br><br>The division assessed the infrastructure plans of provincial departments of education and health, and provided feedback to encourage improvement in the planning, funding and delivery of infrastructure projects.<br><br>The cities support programme continued to provide support to metropolitan municipalities. The metro trading services reform strategy has been incorporated as an anchor reform in phase 2 of Operation Vulindlela, which was launched by President Cyril Ramaphosa on 7 May 2025, and the design of a new grant to drive reform in metro trading services has been finalised. The National Treasury secured funding for the reform over the medium term through the 2025/26 budget process. The strategy was set to move from design into implementation at the start of 2025/26. The department issued four guidance notes and the municipal budget circular to guide metros to prepare their documents for participation in the reform. Six metros' water and sanitation services and six metros' electricity services are participating in the first year. These metros presented their draft performance improvement action plans to the MFMA mid-year budget review, as well as their benchmarking engagements, in February and April/May 2025 (before these documents were submitted alongside metro budget documents for council approval). The metros are preparing eligibility documents for the participation of solid waste management services in the reform in 2026/27. |

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| | The release of a new version of the spatial tax panel represents a milestone of 10 years of granular spatial tax data (2014 to 2024). The panel now has 197 datasets, including different spatial aggregations (national, local municipal and sub-metro), output variables (full-time equivalent employment and establishments), aggregate variables (combining industry, wages, sex, etc.) and time period (monthly or yearly). It also incorporates geocoded data to enhance geographical accuracy. Content for a capacity-building programme on impact investing and outcomes-based contracting was developed and final consultations under way are before it is finalised for rollout. A creative procurement pilot will be launched with the City of Cape Town's urban waste management division.<br><br>The neighbourhood development partnership programme provided support to 47 municipalities in 2024/25 in the planning and delivery of catalytic projects in spatially targeted areas through the development of six investment plans and approval of 44 catalytic projects. The division's support has attracted third-party investment in these areas, contributing to economic growth and job creation. In collaboration with the Presidency, the division oversees the public employment programme and approved eight business plans for 70 public employment programme initiatives in 2024/25. The division leads the programme and project preparation support grant to assist metros with programme and project packaging. A total of eight metro work plans with 86 projects were approved during 2024/25. The division has established a panel of service providers through GTAC to support cities with programme and project preparation.<br><br>The division collaborated with various public sector partners at the national, provincial and local level, including but not limited to: the Department of Small Business Development; the Department of Trade, Industry and Competition; the Department of Public Works and Infrastructure; the Department of Agriculture; the Department of Land Reform and Rural Development; the South African Local Government Association; the Department of Cooperative Governance; and Infrastructure South Africa. The division has collaborated with international partners such as the German Development Cooperation's inclusive violence and crime prevention programme on a number of safety projects. It also hosted two workshops on safety for the division's portfolio of municipalities and developed a guide for safety in precinct management. The division has forged a partnership with the EU's general budget support to deliver economic development projects in selected municipalities.<br><br>The division supports provincial budget preparation processes and issued key guidance documents, including the budget process calendar, provincial medium-term expenditure framework (MTEF) guidelines, a guide to the Estimates of Provincial Revenue and Expenditure, and the budget programme structure circular. The division continued to manage the budget benchmarking process with provincial treasuries to assess the |

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| | allocative efficiency of provincial budgets. The 2025/26 budget benchmark process was successfully concluded in December 2024, based on second-draft budgets submitted by provincial treasuries.<br><br>In line with section 6 of the PFMA, the division also monitored the implementation of provincial budgets through in-year management and monitoring reports, and conducted facility visits to resorts and reserves during the review period. It also successfully published quarterly PFMA section 32 reports.<br><br>The division ensured compliance with the Division of Revenue Act, including the withholding, stopping and reallocation of conditional grants, as well as the publication of related gazettes. Rollover processes were also successfully concluded, enabling provincial treasuries to table adjustments budgets within legislated timelines. The division conducted six Division of Revenue Bill workshops with relevant national and provincial departments and provincial treasuries, covering education, health, social development, transport, agriculture, and sport, arts and culture. The workshops focused on key clauses in and proposed changes to the bill aimed at enhancing compliance, improving the efficiency of expenditure and strengthening service delivery performance.<br><br>As part of efforts to strengthen government capacity and improve provincial budget documentation, the division continued to conduct training on the essentials of budget formulation and budget analysis. A total of 263 officials across all provinces received training in 2024/25.<br><br>To enhance provincial revenue collection, the division coordinated quarterly revenue workshops in collaboration with provincial treasuries. These facilitated the sharing of information and best practice on revenue-related matters.<br><br>The division successfully completed the 2024 Provincial Budgets and Expenditure Review during the reporting period. The publication offers key insights into provincial budgets and expenditure trends and service delivery performance across various sectors.<br><br>The National Treasury implemented a series of reforms during the period under review aimed at improving municipal performance and accountability, particularly in the context of disaster risk financing. The department also finalised a report on the disaster risk financing strategy, which incorporated findings from the survey with 40 municipalities most affected by disasters. This highlighted significant delays in grant disbursement, challenges in the use of grant funding, and the need for improved clarity and administration of disaster-related grants. A report on the conditional grants review was also finalised, which includes performance incentives for infrastructure grants and introduces utility sector reform incentives to encourage improved performance. |

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| | The division continued to collaborate with provincial treasuries to improve revenue collection. Reforms were made to the provincial and local government fiscal frameworks by introducing a number of reforms to the grants and implemented in 2024/25 as part of the conditional grants review. These were aimed at improving the efficiency and effectiveness of the intergovernmental fiscal framework.<br><br>Below is a summary of the key reforms:<br><br>**Provincial government reforms:**<br><br>Public works: Two provincial expanded public works programme grants (the expanded public works programme integrated grant for provinces and the social sector expanded public works programme incentive grant for provinces) were merged into a single grant: the expanded public works programme integrated grant for provinces.<br><br>**Local government reforms:**<br><br>Cooperative governance: The municipal systems improvement grant was incorporated into the Department of Cooperative Governance's baseline to enhance flexibility and effectiveness.<br><br>Transport: The incentive component of the public transport network grant was augmented over a three-year period to improve public transport infrastructure and service delivery in metros.<br><br>Introduction of the urban development financing grant: This grant was introduced to drive the trading services reform agenda and is designed to support municipalities in improving the financial sustainability of trading services such as water, electricity and sanitation. It aims to enhance infrastructure development, service delivery and revenue generation in urban areas, aligning with broader urban development goals.<br><br>These reforms were developed following extensive consultation and data analysis, with the aim of rationalising conditional grants, integrating them into the provincial equitable share and enhancing their overall effectiveness. The implementation of these reforms is part of a broader three-year plan. Ongoing stakeholder engagement and political support are critical for their success.<br><br>The draft Municipal Fiscal Powers and Functions Amendment Bill, which will enable the uniform regulation of development charges, was submitted for assent on 5 March 2024.<br><br>The division continued to improve the conditional grant monitoring framework for local government. It facilitated the transfer of R154.3 billion in 2024/25 in direct transfers to local government through the 2024 Division of Revenue Amendment Act. In ensuring that municipalities can respond the impact of disasters, R684 million was added to the municipal disaster recovery grant to fund the reconstruction and rehabilitation of municipal infrastructure damaged by floods and storms in various parts of the country between December 2023 and July 2024. An |

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| | amount of R378 million was made available for immediate response and transferred to the affected municipalities. All funding for disaster relief and recovery grants was transferred in 2024/25.<br><br>The National Treasury continues to help underperforming municipalities improve spending and manage conditional grants. Some municipalities in Free State have been struggling to spend their full municipal infrastructure grant allocations, whereas others struggle to account for expenditure against their allocations. As the Lejweleputswa and Xhariep district municipalities were allocated funds from local municipalities within their districts that have difficulty safeguarding and spending the grants allocated to them, these funds can be spent by these districts on behalf of their local municipalities.<br><br>Further adjustments were made in line with sections 18 and 19 of the Division of Revenue Act, as amended, in 2024/25 by implementing the stopping of allocations against slow-spending municipalities and reallocating most of the stopped funds to better-performing municipalities. A total of R3.5 billion of a proposed R5.2 billion was stopped. The National Treasury wrote to 171 municipalities across all provinces with the intention of stopping their funds as a result of significant underperformance and noncompliance against conditional grant frameworks and the provisions of the act. This is an annual and consultative process with transferring officers to avoid fiscal dumping of large untransferred amounts in March, to avoid potential rollover requests and high unspent grants at the end of the municipal financial year (June), and to monitor that mid-year performance is on track. A total of 158 municipalities requested rollovers for unspent conditional grants in 2023/24, amounting to R3.7 billion, and the National Treasury approved a total rollover amount of R2.4 billion, 65.5 per cent of the amount requested. During the finalisation of the rollover and unspent conditional grant process, R1.6 billion was returned or repaid to the National Revenue Fund by offsetting it against the 2024 local government equitable share. This amount includes repayment arrangements for unspent conditional grants from the previous financial year against municipalities that could not repay their unspent funds.<br><br>For 16 consecutive years, the division has successfully institutionalised two formal annual engagements: the municipal budget benchmark, and the mid-year budget and performance assessment with the 17 non-delegated municipalities. The generic framework for the assessment and analysis of municipal budgets was updated in line with municipal budgets and reporting regulations. Guidance was provided to municipalities on preparing their 2024/25 medium-term revenue and expenditure framework budgets through MFMA circulars 126 (7 December 2023) and 128 (8 March 2024). Hybrid budget and benchmark meetings were held with all 17 non-delegated municipalities to assess the funding position of their 2024/25 budgets. The division also assessed the adopted budgets for |

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| | 2024/25 and determined that 16 of the 17 non-delegated municipalities were funded.<br><br>A number of routine publications were issued during the reporting period, including the state of local government finances and financial management report. The routine publication of budget and in-year financial performance information for local government enables better oversight and serves as an early warning mechanism for the need to improve municipal performance.<br><br>Various revenue-enhancement tools were developed during the period under review. All municipalities participating in debt relief were capacitated to use the strengthened tariff and rates reconciliation tools to increase revenue. An assessment tool to support the integrated approach to revenue management was also issued for use by municipalities and provincial treasuries, and to identify gaps in the revenue value chain. Compliance tools for debt relief were developed to facilitate improved council and stakeholder awareness of collection and indigent management. These were designed to be integrated with monthly reporting on section 71 of the MFMA. The GoMuni portal was extended to facilitate improved municipal reporting on revenue management-related information. This is key to funding the revenue component of municipal budgets.<br><br>The current phase of the municipal finance improvement programme was extended during the year under review to end in March 2026. Approval was granted for the procurement of 38 additional technical advisers to bring the total to 110. This was in response to increasing demand for direct technical support at the National Treasury, provincial treasuries and municipalities, and to bolster efforts to improve financial management in local government.<br><br>As at 31 March 2025, the municipal finance improvement programme had deployed 104 technical advisers across several work streams at municipalities, provincial treasuries and the National Treasury. The intended outcomes of the programme are to enhance financial management capabilities in local government. The advisers conducted 3 674 capacity-building sessions for 48 000 officials in 2024/25.<br><br>The programme continues to work with the National Treasury, provincial treasuries and their related municipalities to improve budget and revenue management practices and performance through the support of technical advisers for budget and revenue management and municipal support. The technical assistance provided during the period under review predominantly focused on the revenue value chain, the municipal debt relief programme, the rollout of smart meter grant and municipal capacity building. |

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| | The programme placed 14 budget revenue management technical advisers and 40 municipal support technical advisers during the period under review. The 71 municipalities in the debt relief programme were the primary focus for support. The division has progressively addressed shortfalls in the municipal revenue value chain with a special focus on setting cost-reflective tariffs, zooming into the completeness of revenue by reconciling the information of the general valuation roll to the information on the billing system, and helping municipalities develop standard operating procedures and budget policies that are legally 'watertight' so that municipal customers do not find loopholes for leniency. Technical advisers also support municipalities with management letters and auditor-general reports.<br><br>Version 6.8 of the mSCOA chart was issued in December 2024. Extensive mSCOA support was provided to municipalities (to improve implementation) and provincial treasuries (to improve oversight). Municipalities are required to submit a roadmap to the National Treasury and respective provincial treasuries indicating how they intend to become compliant if the minimum level of mSCOA implementation has not yet been achieved. On-site demonstrations of the integrated system solutions were conducted during the review period to determine the level of mSCOA implementation at 43 municipalities across all system vendors. Observations from these demonstrations provided guidance on issues that should be included in these municipalities' mSCOA roadmaps. Other support initiatives included the issuing of circulars, verifying the credibility of the mSCOA data strings submitted to the local government database and reporting system, and providing training and handholding. The e-learning mSCOA course hosted by the National School of Governance was reviewed and improved, and monthly master classes on relevant technical topics were hosted by the Chartered Institute of Government Finance Audit and Risk Officers. The review and consultation processes for the regulation of minimum business processes and system requirements for mSCOA also commenced in 2024/25. Monthly project steering committee meetings, 19 National Treasury internal review sessions, 15 working group sessions and two integrated consultative forums took place in this regard.<br><br>With the support of the OAG, the division also designed, developed and issued illustrative mSCOA specimen annual financial statements for municipalities. This was done to facilitate the seamless alignment of municipal budgets and annual financial statement data. This was the fourth issue of the specimen annual financial statements, which now includes the parent and consolidated specimen, and is aligned with version 6.8 of the mSCOA chart.<br><br>**Public Finance**<br><br>The Public Finance division continued to work with national government departments and their entities to make recommendations on budgets, monitor budget execution, assist on key policy issues related to |

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| | government spending, and assist departments and their entities with financial management. |
| **Programme 4: Asset and Liability Management**<br><br>The programme manages government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. It also seeks to promote and enforce the prudent financial management of state-owned entities (SOEs) through financial analysis and oversight. | **Asset and Liability Management**<br><br>To improve transparency, a new measure was put in place during the year under review that requires Cabinet ministers who issue guarantees, indemnities or securities to report quarterly to the National Assembly any such requests submitted to the Minister of Finance.<br><br>In 2025/26, the Minister of Finance issued the following guarantees: R660 million to Denel for the execution of the Oman G6 contract; and a total of R27.4 billion to the Department of Electricity and Energy for the seventh bidding window of the independent power producer procurement programme (R18.9 billion), and the second bidding window of the battery energy storage independent power producer procurement programme (R8.5 billion). The division continually monitored guarantees to Eskom, Denel, the Trans-Caledon Tunnel Authority (TCTA), South African Airways and Transnet, and provided quarterly reports on compliance with guarantee conditions.<br><br>There was improvement during the reporting period in government's investment of surplus cash. This was due to an improved operating environment locally and internationally, which has seen improvement in profitability and asset quality. The big 4 banks met their regulatory minimum requirements for liquidity and capital adequacy, indicating their ability to meet obligations to creditors and government under stressed economic conditions.<br><br>The division continued to review all corporate plans and annual reports from major SOEs, development finance institutions and water boards that were submitted within PFMA-stipulated deadlines. The analysis formed the basis for reporting in the 2025 Budget Review and MTBPS, which deliberated fiscal risks and informed stakeholders about these SOEs' performance over the reporting period.<br><br>During the reporting period, borrowing authorisation and related limit applications, as well as foreign currency borrowing limit applications from Transnet, Eskom, Umngeni-Uthukela Water, the Industrial Development Corporation and TCTA were considered. The stock of government debt increased from R5.7 trillion in March 2025 to R6.1 trillion as at 31 March 2026, while strategic risk benchmark indicators remained within recommended limits. The aggregated weighted cost of funding (monthly issuances) amounted to 7.4 per cent. The cost of funding comprised fixed-rate bonds, which contributed 9 per cent; inflation-linked bonds (4 per cent); floating-rate notes (7.5 per cent); and Treasury bills (7.2 per cent). |

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| | Government successfully financed its gross borrowing requirement of R545.1 billion during the period under review. This was funded through net issuance of domestic short-term loans (R39.5 billion), domestic long-term loans (R390.6 billion) and foreign loans of R103.9 billion (equivalent to US$6 billion). In addition, cash and other balances decreased by R11.1 billion. Over the same period, R73.6 billion (cash) of short-dated bonds were exchanged for long-dated bonds.<br><br>The cost of servicing government debt amounted to R410.9 billion in 2025/26, lower than the revised estimate in the 2026 Budget by approximately R2.7 billion. During the reporting period, domestic and foreign loans of R159.2 billion were repaid. The division met all government's rand and foreign currency commitments daily, and surplus cash was optimally invested. |
| **Programme 5: Financial Accounting and Supply Chain Management Systems**<br><br>This programme comprises two divisions: The Office of the Accountant-General (OAG) and the Office of the Chief Procurement Officer (OCPO).<br><br>This programme facilitates accountability, governance and oversight by promoting the effective, economic and transparent management of revenue, expenditure, assets and liabilities across all spheres of government and public entities.<br><br>The OAG provides financial support through the Financial Management Grant (FMG) and technical assistance in the form of specialist advisor placements to municipalities. This augments municipal own resources to implement the reforms legislated in the Municipal Finance Management Act, (MFMA). The grant further assists municipalities in building institutional and technical skills in all aspects of financial management, including:<br><br>The appointment of suitably qualified | **Office of the Accountant-General**<br><br>The OAG is the custodian of the PFMA and the MFMA in the National Treasury. The division is tasked with facilitating accountability and transparency in the management of the country's financial resources.<br><br>The process of reviewing the PFMA and the MFMA continued into 2025/26, and the amendment PFMA and MFMA bills are in their final stages of development and due to be submitted to Cabinet for approval to publish both Bills for public comment.<br><br>The National Treasury conducted a review of National Treasury Instruction No. 34 during the 2025/26 period. This instruction addresses the late or non-payment of supplier invoices and forms part of a medium-term initiative to improve compliance with the 30-day payment requirement. The review was undertaken in collaboration with the Office of the Presidency and the Department of Small Business Development. Progress on the revised instruction was monitored and reported on a quarterly basis. The revised instruction is currently with the Office of the General Council for legal review.<br><br>The OAG undertook numerous stakeholder engagements on the proposed amendments, including engagements with the Governance, State Capacity and Institutional Development Cluster, Department of Cooperative Governance and with the Forum of South African Directors-General.<br><br>OAG continued to support PFMA and MFMA institutions by providing information sessions on the implementation of the acts and their prescripts. Exemptions, departures and condonations were also considered as per the requirements of the PFMA compliance and reporting framework. Technical meetings were held throughout the financial year on important transversal matters pertaining to the PFMA. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| financial officials<br>• Growing the internship programme for graduates to be absorbed in municipalities;<br>• Implementing budget reforms;<br>• improving supply chain management;<br>• Addressing shortcomings in revenue management;<br>• Strictly implementing controls in expenditure management;<br>• Developing asset management plans that also address their repair and maintenance of assets;<br>• Producing accurate accounting records;<br>• Assisting in achieving auditing compliance and in producing reports that are reliable and of a quality; and<br>• Supporting the training of officials to meet the minimum competencies.<br>The OCPO aims to:<br>• Modernise the state procurement system to be fair, equitable transparent, competitive and cost effective;<br>• Enable the efficient, economic effective and transparent utilisation of financial and other resources, including state assets, for improved service delivery; and<br>• Promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources. | Several measures and capacity-building initiatives were implemented to assist PFMA and MFMA institutions in their efforts to reduce incidences of unauthorised irregular, fruitless and wasteful expenditure, and the resultant unfavourable audit outcomes.<br>The OAG continued to monitor compliance by national and provincial departments with the prescribed requirement to pay suppliers within 30 days of receipt of invoices, and support suppliers with related complaints and queries.<br>An annual report for 2024/25 for late and non-payment of supplier's invoices was compiled and published on the National Treasury website. The report covers areas including non-compliance regarding the payment of suppliers, reasons for late and/or non-compliance and interventions by the National Treasury to improve the status of compliance by national and provincial departments.<br>The OAG developed a progress report on PFMA institutions' improvement of financial management and compliance for the 2024/25 financial year. This included information on the analysis of tabling of annual reports and annual financial statements in legislature; analyses of audit outcomes in institutions subjected to the PFMA, noncompliance with laws and regulations in national and provincial departments, and unauthorised, irregular and fruitless and wasteful expenditure.<br>National Treasury (NT), in partnership with the National School of Government (NSG), developed a strategic and practical short learning programme—commonly referred to as the CFO Course—aimed at equipping public sector financial professionals employed in both National and Provincial Departments with the knowledge, skills, and competencies required to perform effectively as Chief Financial Officers (CFOs). Designed to empower both current and aspiring finance leaders, the programme provides a blend of technical expertise, strategic insight, and governance knowledge essential for effective financial leadership. It targets current CFOs, senior finance managers, directors, public sector executives with financial responsibilities, audit committee members, and professionals seeking to advance into CFO roles in departments. Through this training, participants will enhance their ability to promote sound financial management, strengthen accountability, and support improved service delivery in the public sector.<br>State-of-readiness reviews were conducted to determine the effectiveness of the internal audit functions and measure the quality of work performed within them. During the year under review, a status assessment was completed on the quality, completeness and alignment of Internal Audit Function and Audit Committee disclosures in the 2024/25 Annual Reports of national departments. The assessment covered key disclosure areas, including internal audit mandate, activities, summary of |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | work, quality assurance arrangements, audit committee composition, attendance, focus areas and governance-related disclosures.<br><br>The review provided a consolidated evidence base on implementation progress, identified departments demonstrating better disclosure practices, and highlighted recurring gaps requiring targeted support. Positive trends were noted in the disclosure of Audit Committee focus areas, as well as in the structured reporting of Audit Committee composition and meeting attendance.<br><br>The assessment also enabled benchmarking across departments and informed practical improvement actions for the 2025/26 reporting cycle, including the proposed development of disclosure checklists, model disclosure examples, pre-publication quality reviews and technical clinics on areas such as combined assurance, audit committee independence, resolution tracking, remuneration disclosure and internal audit quality assurance reporting.<br><br>This work strengthens the quality of governance reporting and supports continuous improvement in the functioning and transparency of Internal Audit Functions and Audit Committees across national departments.<br><br>Reports generated from these reviews were used to determine focus areas for rendering additional technical support. Various activities in support of internal auditors in the public sector were undertaken in collaboration with the Institute of Internal Auditors.<br><br>Relations with the AGSA were strengthened to support internal auditors and audit committees to resolve audit findings related to internal audit and audit committees.<br><br>Through the financial management grant, support was provided to municipalities to ensure compliance with the municipal regulations on minimum competency levels (MRMC). In addition, monitoring and support was provided to skills development facilitators and chief financial officers to ensure that the value intention of the municipal finance management internship programme (MFMIP) is realised, which is a tool for building a pool of financial management skills and serves as a talent pipeline for local government, which is line with guidelines issued by the National Treasury.<br><br>The Skills Development Facilitators and Internship (SDF&I) Forum was formally established to enhance oversight, support and compliance monitoring for improved levels accountability and reporting.<br><br>The OAG provided technical support and capacity building training to law enforcement agencies and various state organs on public finance management (PFM) prescripts thereby strengthening accountability and consequence management. The OAG assisted in recouping funds siphoned from the state back into the revenue fund trough the NPA's Asset Forfeiture Unit. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | The National Treasury also continued to monitor MFMA compliance through the 3 web enabled systems (Muni eMonitor system, Financial Management Capability Maturity Model (FMCMM) and Audit Action Plan system). The information submitted on these systems by municipalities, along with other related sources was used to compile the Strengthening Municipal Financial Management, MFMA Compliance Report, 2024/2025. The purpose of the report is to provide a consolidated status of MFMA compliance and implementation across all provinces. The report also includes recommendations for both municipalities and provincial treasuries to improve compliance and oversight over compliance respectively. The report was subsequently published on the National Treasury website.<br><br>The MFMA helpdesk facility also responded to enquiries and comments and provided support and advice to municipalities and municipal entities on all aspects of the Act.<br><br>The financial management grant was transferred to all municipalities to augment their own resources, prioritising areas covered in their support plans to address gaps in implementing financial management. Proactive and preventive strategies were employed during MFMA provincial visits from the division, conditional grant review forums and MFMA coordinator sessions.<br><br>**Office of the Chief Procurement Officer**<br><br>The Public Procurement Act (2024) was approved by the President and gazetted as an Act of Parliament on 23 July 2024. Many provisions of the Act require regulations to be in place before the accompanying provisions can be brought into operation. As at 31 March 2026, draft regulations to the act had been developed and awaiting Minister's approval to publish them for public comments. The draft had been circulated and consulted with Ministers whose portfolios are affected by the regulations. It is envisaged that the draft regulations will be published for public comments during the first quarter of 2026/27 financial year once approval to do so is granted. All things being equal, it is anticipated that the regulations will be promulgated during 2026/27 financial year which will pave the way for implementation of the Act. The Act will come into effect on a date to be determined by the President by proclamation in the Government Gazette.<br><br>Government's CSD continues to simplify and strengthen the accessibility of doing business with the state. As at 31 March 2026, there were 845,652 registered suppliers, of which 306,257 were women-owned, 215,782 were youth-owned and 7,356 were owned by people with disabilities. During the reporting period, to better know the suppliers, the platform required suppliers to provide supporting evidence of their disability, military veteran status and any accreditations reflected on CSD. The system automatically sends reminders to the suppliers when supporting evidence is about to expire. The Request for Quotations (RFQ) has been further automated by |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | enabling online evaluation by organs of state. Based on the evaluation by the organ of state, the system recommends to whom the RFQ should be awarded.<br><br>The eTenders portal was also improved by including simplified tender publication statistics on the transparency dashboard and a payment data analytics component that makes procurement spend data available to the public. During the reporting period, 30 847 procurement opportunities were advertised on the platform. A successful campaign was launched to encourage organs of state to capture award information on the portal, which led to 21 403 awards being reported. There was a steady increase in the number of organs of state using the functionality for online bid submissions. Development for the evaluation and adjudication module is also close to completion.<br><br>The Electronic Government (eGP) Strategy was developed with the assistance and collaboration from the World Bank. The eGP strategy was subsequently approved, preparations have been made for project commencement. eGP will ensure full automation and digitisation of all public procurement processes.<br><br>The OCPO launched the Procurement Payments Dashboard, a digital platform that enables the public to explore how government spends public funds on goods and services. This represents a significant step toward enhancing transparency and public accountability, in line with the recommendations of the 2024 Methodology for Assessing Procurement Systems (MAPS) Assessment Report for South Africa. The dashboard is accessible via the eTender Portal to the public.<br><br>An Instruction Note on Procurement Information Transparency was issued to support the publication of the dashboard and guide the collection of procurement information from various systems. Data was initially be drawn from the Basic Accounting System (BAS), the Logistical Information System (LOGIS), and supplemented by supplier data from the Central Supplier Database (CSD). Published data includes supplier and ownership details, as well as the nature, value, and quantity of procurement transactions and payments.<br><br>There were additional SCM business processes that were automated during the financial year that are related to reporting of malpractice and implementation of corrective measures and interventions. These processes were implemented through the development of the new OCPO Management System that was piloted in quarter 4 of the financial year where 502 officials were trained and 102 onboarded from 44 organs of state. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | The OCPO developed the SCM Compliance Risk and Monitoring (CRAM) tool to assess supply chain risks and maturity, helping institutions identify gaps and improve compliance and performance. The SCM Professionalisation framework was strengthened to professionalise public procurement in order to build skills, capacity, and partnerships in the public sector.<br><br>The OCPO supported institutions through training, site visits, and oversight activities to ensure compliance with SCM regulations and standards.<br><br>The Strategic Procurement Framework (SPF) was institutionalised across government through targeted Executive Managers Training, online webinars to more 450 government officials quarterly and selecting four pilot sites across the different spheres of government. Furthermore, procurement tools like the specification library were expanded though standardising the security services commodity specifications for government institutions and national key points. A procurement spend analysis exercise was conducted for all the National Departments during the year under review.<br><br>Despite heightened public scrutiny and negative media reports on public procurement, targeted interventions were implemented across the SCM curriculum (NQF level and short programs level) to strengthen governance, compliance and ethical practice among existing and incoming SCM professionals. |
| **Programme 6: International Financial Relations**<br><br>This programme manages South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and those of Africa as a whole. | **International and Regional Economic Policy**<br><br>The division ensured that budgets of the 2025 AU Commission and SACU are affordable and aligned with fiscal conditions in member states. As a result, South Africa's annual contributions to the AU will remain unchanged for the new financial year of 2025. In addition, South Africa will continue its F15 membership, allowing it to provide oversight on AU's budget and financial expenditure.<br><br>Also, the F15 members successfully negotiated the AU new scale of assessment for 2024-2026. As a result, South Africa's contributions to the AU will remain at 7.5 per cent of the AU budget for the next three years resulting in the RSA contribution lowering to US$15 million from US$19 million towards the overall budget of the African Union for the FY2025.This aligns with South Africa's ongoing fiscal consolidation efforts, aiming to contain expenditure.<br><br>As of July 2025, South Africa will be taking over the chairship of SACU, including institutions such as the Commission and Council. This responsibility is shared with the Department of Trade, Industry and Competition. During the reporting period, the completion of the review of the conditions of service and guidelines for the appointment of senior executives, including the executive secretary, strengthened the appointment processes. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | The Division supported the Minister of Finance's participation in the SADC Committee of Ministers of Finance and Investment selection process towards a regional candidate for the position of the African Development Bank President. Additionally, the Division continued to play an oversight role at the Finance Committee responsible for finalising the budget of the SADC Secretariat. At the senior officials' level, the division continued to engage and influence the process of operationalising the SADC Regional Development Fund.<br><br>The programme facilitated the finalisation of the memorandum of commitment between AFRITAC South and South Africa for the period 2023-2027.<br><br>A key focus of South Africa's G20 Presidency was to elevate African voices and enhancing debt sustainability was one of the key priority areas for our G20 Presidency. A landmark achievement of South Africa's G20 Presidency was the endorsement of the first-ever G20 Ministerial Declaration on Debt Sustainability, which identifies clear commitments to support efforts by low- and middle-income countries to address debt vulnerabilities. Progress was also made on improving the implementation of the G20 Common Framework on Debt Treatments, including providing more transparency on the different steps of this process and providing more information on the country cases.<br><br>South Africa also chaired the Global Sovereign Debt Roundtable (GSDR) with the IMF and the WBG in its capacity as the G20 Chair in 2025. A key outcome of these meetings was the publication of a Sovereign Debt Restructuring Playbook for country authorities.<br><br>South Africa also joined the London Coalition Steering Committee launched in 2025, which brings together public and private sector leaders to improve debt sustainability for developing nations. It is co-chaired by the UK Treasury and former Standard Chartered chair José Viñals, it aims to reform debt contracts, enhance transparency, and address climate-related financial shocks.<br><br>In 2025 the Minister of Finance signed the Memorandum of Understanding (MoU) for Ethiopia's debt treatment under the Common Framework on behalf of South Africa. Ethiopia's debt treatment with official bilateral creditors was concluded within a period of only one year, which is a marked improvement from previous debt treatments under the Common Framework.<br><br>South Africa has continued to advocate for IMF Governance reform. South Africa has finalised its domestic processes under the IMF's 16th General Review of Quotas (GRQ) and called on other countries to also advance timely completion to ensure that the IMF is adequately resourced. In regards to the ongoing work on the 17th GRQ, South Africa continued to advocate for enhanced voice and representation of EMDEs, while protecting the voice of the poorest members. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | The African Development Bank is currently implementing the 2023-2028 Country Strategy Paper which underpins the collaboration with South Africa.<br><br>As of 31st March 2025, the Bank's active portfolio in South Africa consisted of 16 operations with a total value of US$4.33 billion, including investment projects, five lines of credit, and technical assistance. This diverse range of operations reflects the Bank Group's commitment to supporting development initiatives across various sectors of the country.<br><br>The country partnership framework for the period 2022-2026, between South Africa and the World Bank Group, has delivered four International Bank for Reconstruction and Development (IBRD) financed projects of US$2.67 billion over the 2022-2026. Support has deepened in various sectors, focusing on macro-fiscal stability and structural reforms, particularly in energy, transport and subnational levels, enhancing service delivery.<br><br>As of December 31, 2024, South Africa's IBRD financing portfolio and operational footprint had net commitments of US$1.44 billion, which are comprised of two active projects.<br><br>The International Finance Corporation's portfolio in South Africa increased to $4.2 billion (as of March 31, 2025), surpassing its US$3.4 billion five-year target for the 2022 to 2026 CPF. The increase has largely been in sustainable and inclusive finance, municipal finance, housing, and health. The financing instruments comprised debt (loan and quasi-loan), equity, and guarantees.<br><br>During the reporting period, the National Treasury represented South Africa in the meetings of the African Development Fund and the International Development Association. Continued participation in these meetings has enabled South Africa to maintain its voice in these concessional funds and, as one of the only African donors to the International Development Association, to influence its strategic focus to ensure that it is geared towards meeting the needs of low-income African countries. This resulted in securing a historic commitment of up to USD100 billion for the 21'st replenishment of IDA (IDA 21) covering the period from July 2025 to June 2028, as well as retaining key priorities such as job creation and private sector development as priority areas for IDA 21. Through consistent lobbying, South Africa has played an instrumental role in convincing additional African countries to contribute towards the association's fund, thereby increasing the voice and influence of Africa in discussions. |

| OUTCOME | ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS |
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| | The National Treasury represented South Africa in the finance track meetings of the United Nations Framework Convention on Climate Change, which considers a wide range of issues, including providing strategic direction to the framework's vertical climate funds, negotiations on the new collective quantified goal for climate finance.<br><br>The National Treasury coordinated South Africa's delegation at the January 2025 annual meeting of the World Economic Forum. With the priorities of the G20 Presidency being the main feature, South Africa capitalised on the focus it received as a country to profile itself as an investment destination. |

2025/26
National Treasury

# ANNUAL REPORT

## Vote 8

## PART B
## PERFORMANCE INFORMATION

PERFORMANCE INFORMATION **BY PROGRAMME**

# 4.1 PROGRAMME 1: ADMINISTRATION

**Purpose**: Provide strategic leadership, management and support services to the department.

## Institutional outcomes

- Sound financial controls and management of public finances.

## Subprogrammes

### Office of the Minister and Deputy Minister

The Minister of Finance provides strategic direction and leadership to the National Treasury. With the support of the Deputy Ministers, The Minister of Finance is also responsible for policy matters and departmental outcomes.

This sub-programme supports the Minister and Deputy Ministers by providing executive and administrative services. The sub-programme is responsible for the development of systems and mechanisms that deal with parliamentary questions and replies, Cabinet matters, correspondence, submissions and memoranda.

### Office of the Director-General

The Director-General supports the Minister of Finance in providing strategic direction and leadership to the National Treasury. The Director-General is also responsible for departmental outputs and implementation as well as all responsibilities conferred by being the department's accounting officer.

### Management

This sub-programme primarily provides administrative services and reports directly to the

Director-General. It consists of the following support services:

***Internal Audit*** contributes to the strengthening of National Treasury's accountability and enhancing public stewardship by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit provides robust and practical strategic advice and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the OAG in providing guidance and support to internal audit functions in government.

***Enterprise Risk Management*** improves organisational risk communication and knowledge sharing, developing a common risk language that ensures that a risk management culture is embedded in National Treasury. The unit supports evidence-based decision-making by reducing uncertainty. This is realised by providing a holistic view of risks and the application of robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

***Strategic Planning, Monitoring and Evaluation*** is tasked with embedding planning into National Treasury including facilitating the department's short, medium and long-term strategic planning processes and ensuring that plans are aligned to legislative mandates and broader government imperatives. The unit develops and administers systems and processes that entrench effective and efficient monitoring, evaluation and reporting on departmental performance delivery and facilitates the development and implementation of service delivery improvement.

***Legal Services*** is responsible for providing a comprehensive legal advisory service to enable National Treasury to carry out its mandate effectively within the law.

***Legislation Services*** provides legislative services which include managing the National Treasury's legislative programme, drafting or checking draft fiscal and intergovernmental and financial sector regulation legislation, and commenting on other legislation as well as advising on the interpretation of legislation.

***Communication*** enhances the National Treasury's transparency and credibility by fostering effective communication with stakeholders, ensuring broad access to and understanding of economic policies and the Budget.

***Financial Management*** administers compliance with all relevant financial statutes and regulations, the most important of which is the PFMA. In ensuring a cohesive compliant service delivery environment, the unit strives to attain this balance of achieving service excellence and maintaining an agile internal control environment to instill fiscal discipline within National Treasury.

## Corporate Services

The Corporate Services division delivers and oversees shared services in alignment with National Treasury's needs. It does so by proactively identifying requirements, monitoring and maintaining service levels and setting standards aligned with compliance and best practices, including reporting on delivery.

***Human Resources Management*** ensures strategic, transactional and transformational human resources partnership so that National Treasury can attract, develop and retain the skills needed to deliver on the department's mandate and objectives.

***Information and Communication Technology*** improves National Treasury's operational efficiency, optimises costs, drives innovation and accelerates the delivery of services. The unit provides long-term planning and day-to-day support in respect of ICT-enabled delivery using ICT services and systems.

***Strategic Projects and Support*** is responsible for preserving the institutional memory and tangible knowledge of the department, as well as providing management support to internal projects. Knowledge management is the custodian of the preservation and dissemination of organisational information created within and in-collaboration with other entities. Records management focuses on the preservation of tangible knowledge so that it can be easily retrieved and be in compliance with the National Archives Act, 2003 (Act No. 629 of 2003).

***Facilities and Security Management*** ensures continuous stringent physical and information security and provides, maintains and services available facilities.

# SERVICE DELIVERY OBJECTIVES AND INDICATORS

## Recent outputs

### Human resources management

During the reporting period, the human resources management unit continued to drive focal organisational development strategies to address identified workforce challenges. To acquire the best talent, a combination of internal and external talent sourcing was used, along with secondments and rotations. Other platforms in addition to the public service vacancy circular were used to reach the appropriate level of talent.

The National Treasury's vacancy rate increased from 11.5 per cent in 2024/25 to 12.51 per cent in 2025/26. This was due to the additional funding of positions to increase capacity in the department (DPSA). Effective 1 October 2023. The staff turnover rate for the period under review was 6.4 per cent, compared with 8.1 per cent in the previous year. The approach towards employee rotation and the placement of employees acting in higher positions ensured that the department has a diverse set of skills and builds a substantive management pipeline.

The National Treasury Graduate Development Programme continued to serve as a strategic talent pipeline intervention aimed at attracting, developing, and retaining high-potential graduates within the Department. The programme remained a key enabler in advancing human capital investment and succession planning objectives by providing structured workplace learning, professional exposure, and developmental support to graduates across critical occupational streams. Total number of 60 graduates were appointed and participating in the programme during the financial year, additional 82 graduates currently been recruited into the programme.

Total bursary number of 23 recipients were awarded funding through the National Treasury External Bursary Scheme, across various Higher Education Institution in South Africa. The National Treasury's Chartered Accountants Academy (CAA), under the Office of the Accountant-General, is accredited by the South African Institute of Chartered Accountants (SAICA) as a training office to develop Chartered Accountants (CAs). The programme contributed towards strengthening the Department's long-term capability and leadership pipeline, while supporting broader public service skills development priorities. A total number of 7 Post-Graduate Students from disadvantaged communities were recently afforded opportunities to acquire practical work experience aligned to their academic qualifications and professional development pathways.

During the reporting period, HRM sustained implementation of integrated skills development initiatives through continuous stakeholder engagement, monitoring of graduate placement and development, and alignment of talent management interventions with departmental skills

requirements. These interventions supported the Department's objective of building a sustainable and responsive workforce capable of meeting current and future service delivery demands.

The National Treasury retention framework is being finalised to support the identification and retention of key skills within the department over the MTEF period. Some initiatives that support retention strategies have already been implemented. These include, among other things, the recognition and rewards policy, the mentorship and coaching framework, and the flexible working conditions and overtime remuneration policy.

Skills development within the National Treasury continues to be an organisational priority. As the department generally attracts highly skilled employees with the required technical knowledge, the focus is on developing their leadership and management skills, including behavioural and generic competencies, in the short to medium term. This approach allows these skills to mature and address the department's managerial leadership needs going forward.

This was realised in 2023/24 through the appointment of Stellenbosch University to provide customised leadership and management development programmes for officials occupying management positions from levels 9 to 16. By 2025/2026, 62 first-line managers, 57 middle managers, and 52 senior managers had undergone training offered through this partnership. Additionally, 25 managers were trained in negotiation skills.

These programmes seek to support employees' career progression and ensure a structured approach to building a leadership pipeline for the department. Programmes offered include Women in Leadership as well as negotiation skills training. Although emphasis is placed on these skills, the unit continues to support the technical and competency-related training needs of all employees across functional areas and levels by providing training aligned with their individual development plans. This is reflected in the training budget spent on employees.

As at 31 March 2026, a total of 592 women were employed permanently at the National Treasury, of whom 129 occupy positions in senior management service (SMS). This highlights the department's commitment to gender equality in leadership and management roles. It also shows a deliberate effort to create a diverse and inclusive workplace where women have equal opportunities to succeed in senior positions. Overall, by 31 March 2026, 51.81 per cent of the National Treasury's SMS employees were women, reflecting a balanced gender distribution throughout the organisation. In addition, 0.97 1 per cent of the department's staff complement included people with disabilities. This demonstrates the National Treasury's dedication to fostering diversity and equality across all levels and sectors of employment. The department's staff complement included employees who are below the age of 35, indicating a diverse age mix in the workforce comprising experienced professionals and younger talents.

The National Treasury is having 24/7 psychosocial services available to address reported cases on gender-based violence. An emailer was sent during women's month to encourage participation and leadership of women in the economy. A webinar was conducted by different

stakeholders on the 02 December 2025 as part of 16 days of no violence against women and children.

The Department on 26 September 2025 facilitated an information session on the Constitutional Values & Principles presented by Office of the Public Service Commission. The presentation was aimed at amongst other things to sensitise employees on accountability, responsible decision-making, ethical behaviour and helping employees navigate complex ethical situations.

The revised performance management policy was implemented to enhance the department's performance management system. During the reporting period, 92 per cent of SMS members entered into performance agreements. Those who did not sign performance agreements with their line managers were not eligible for performance-related recognition or reward.

## Information and communication technology

ICT support was provided to the National Treasury's business units, enabling them to provide services in accordance with the department's constitutional mandate. Several key initiatives were implemented during the year under review that built on the existing ICT foundation while responding to the challenges posed by hybrid working conditions:

- Procurement and commissioning of technology solutions for the new NT premises including a new network and high-end audiovisual/conferencing technology.
- Continuous process automation for various departmental units such as Ministry, ODG, OCPO and Finance, as well as enhancement of existing solutions such as Leave and Recruitment to add richer features.
- Augmenting professional services capacity, which assists in implementing the most cost-effective critical initiatives.
- Providing private cloud services over the medium to long term, including migrating the disaster recovery site to Cape Town and implementing the high availability functionality.
- Strengthen the security posture of the organisation through the ICT Security Management Committee that is mandated to approve and implement best practices.

## Security management

The department continued to deliver on its commitment to create and sustain, as far as possible, a risk-free operating environment that safeguards lives, and protects classified and sensitive information, assets and internal business processes. During the reporting period, a safety, health, environment, risk and quality committee convened quarterly to ensure that the National Treasury monitored compliance with the Occupational Health and Safety Act (1993) and its regulations. Members of the occupational health and safety committee were trained on first aid

level one (1). Building inspections were conducted quarterly to identify any potential hazards in line with the prescripts.

Vetting of employees continued in accordance with levels of access to sensitive state information. Compliance with the vetting prescripts was 99.9 per cent for the period under review. Over the same period, personnel suitability checks were conducted on all prospective candidates. Contractors who rendered services on behalf of the National Treasury were subjected to the screening process. In conjunction with the law enforcement agencies stringent security measures were in place to safeguard the G20 ministerial and working group meetings, national budget information including the MTBPS and Budget Speech process.

## Facilities management

During 2025/26, a key milestone for the department was the successful acquisition of temporary office accommodation to support business continuity and provide a stable operating environment pending the implementation of a permanent accommodation solution. A five-year lease agreement was concluded during the reporting period, representing a significant step towards addressing the department's accommodation requirements. Substantial progress was also made on tenant installation and fit-out activities, which were nearing completion by the end of the reporting period, with occupation of the premises envisaged for October 2026.

The department continued to ensure that its facilities remained conducive to productivity, safety and operational efficiency while managing transitional accommodation arrangements. In parallel, engagements with the Government Technical Advisory Centre (GTAC) progressed regarding the development of a permanent departmental accommodation solution through a Public-Private Partnership (PPP) model aimed at providing a sustainable long-term accommodation solution aligned with the department's future operational requirements.

Lease renewal discussions with the State Information Technology Agency and the Department of Public Works and Infrastructure, on behalf of the National Treasury, for the Centurion office are expected to commence during the 2026/27 financial year.

## Risk management

A culture of transparency and accountability was maintained through the annual assessment of strategic and operational risks. Integration of planning, performance and audit information has ensured the reporting of credible information to support decision-making and achievement of strategic departmental outcomes. The dissemination and socialisation of the Enterprise Risk and Compliance Management Policy was a key contribution to the promotion of a risk management culture. The Audit and Risk Committee was instrumental through its oversight responsibilities in ensuring that a risk intelligent department is realised.

# 04 PERFORMANCE INFORMATION BY PROGRAMME

The Department implemented the business continuity strategy which introduces measures designed to enhance organisational resilience. Organisational ethics was managed through implementation of financial disclosure framework for SMS and other designated employees, processing applications for remunerative work outside the public service and gifts received in the scope of employment, awareness programmes and support to NT staff through provision of ethics advisories.

## Internal audit

After consulting management and gaining approval from the audit committee, the annual risk-based audit plan for 2025/26 was implemented as part of the three-year rolling plan. A total of 25 internal audit assignments were planned for and approved in the revised 2025/26 plan, and all 25 audits were completed and reported on. In addition, 10 ad hoc audits were executed and reported on, bringing the total to 35 assignments completed. All audits and other work of the internal audit function was conducted in accordance with Institute of Internal Auditors' Global Internal Audit Standards.

## Strategic planning, monitoring and evaluation

The Strategic Management and Oversight unit successfully coordinated and facilitated the 2025/26 organisational planning cycle in full compliance with DPME guidelines and legislative requirements. Guided by a comprehensive and agile planning ecosystem, the unit ensured the timely development, completion, and submission of the 2025/26 Annual Performance Plan, National Treasury Operational Plan, and Chief Directorate Operational Plan to the relevant authorities in accordance with prescribed schedules. The NT planning ecosystem reflects a clear alignment and continuity of strategic priorities, establishing a "golden thread" from the government-wide objectives articulated in the Medium-Term Development Plan, through the Department's Five-Year Strategic Plan, and into the Annual Performance Plan. These priorities are further translated into Chief Directorate Operational Plans, ensuring coherence and accountability across all levels of planning and implementation.

The 2025/26 financial year, which marked the first year of the 2025–2030 five-year strategic plan, resulted in an unqualified performance audit outcome with no material findings. The department has maintained this achievement since the 2022/23 financial year. This reflects the effective integration of planning, budgeting, risk management, expenditure oversight and performance reporting. The strategic management framework rests on two pillars: alignment of the strategic and annual performance plans with budget allocations through the Medium-Term Expenditure Framework (MTEF), and integration of operational plans, budgets, risk management instruments and individual performance agreements. Improvements to the tools used for monitoring and reporting on strategic projects have further strengthened implementation and oversight, while also enhancing institutional performance and accountability.

The Strategic Management and Oversight (SMO) unit continues to facilitate the implementation of the Organisational Planning and Monitoring Management System (OPMMS), an integrated automated platform designed to streamline and align key business processes, including planning, budgeting, demand management, risk management, and performance management. The system aims to enhance coordination, improve efficiency, and strengthen organisational oversight through a unified management approach. The system is being progressively implemented across its various modules, with the performance monitoring component already in use to support departmental quarterly performance monitoring and reporting. The continued rollout of the system is expected to enhance productivity, improve efficiency, strengthen integration, and promote better performance, while also reducing the time and costs associated with departmental planning and reporting processes.

## Communications

The communications unit serves as an important link that fosters clear, consistent and inclusive communication between the department and a wide range of internal and external stakeholders. Through targeted messaging and creative design elements, the unit enhances various audiences' understanding of the department's essential policies and priorities.

During the reporting period, the unit expanded its reach by harnessing a variety of innovative platforms and tools. This included maintaining robust relationships with traditional media outlets while fostering meaningful connections with non-financial and community media and building an ever-growing presence on digital platforms and social media. The unit also incorporated the use of sign language in the department's communication strategy. Staff were regularly kept abreast on matters of internal importance and external relevance through structured communication channels.

A highlight for the unit, through its design studio, was the successful development of the official branding guidelines for South Africa's presidency of the G20 and related activities throughout the year. These comprehensive guidelines were rolled out and adopted across government and among all key stakeholders to ensure a cohesive and recognisable representation that reflects South Africa's prestige on the global stage.

## Legal services

During the reporting period, the unit provided civil litigation services involving a complex mix of law and policy related to constitutional attacks on legislation, procurement, special pensions, labour and general litigation. The following matters were successfully litigated:

- Moongate 125 (Pty) Ltd – the unit successfully opposed an application for a court order to interdict the National Treasury from vacating the building at 240 Madiba Street.

- Vishnu Munilal – the unit successfully made a claim over three computers that were subject to the writ of execution.
- The unit successfully opposed an application by Makolometje Timothy Murwa to find the National Treasury and its director-general to be in contempt of court for their alleged non-compliance with an arbitration award issued under the auspices of the General Public Service Sectoral Bargaining Council.
- The unit successfully opposed various procurement matters, including the cases involving Fumani and Phambili, where the awarding of transversal tenders was challenged.

Successful action was taken that averted litigation related to various matters where orders were sought against the Minister of Finance to consent to the cancelling of bonds that have become bona vacantia. Commercial legal advice was given on a range of transactions concerning borrowing, loans, guarantees and indemnities, as well as various contractual arrangements between the National Treasury, service providers and third parties. Legal advisory services were provided on the application of various laws and assisted National Treasury officials with statements requested by law enforcement agencies.

## Legislation

The annual budget bills for 2025/26 were attended to, along with Special Appropriation Bills.

In the fourth quarter of 2025/26 financial year, the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Bill and the Conduct of Financial Institutions Bill were submitted to Cabinet to obtain approval to introduce the Bill in Parliament. The Special Pensions Amendment Bill was introduced in Parliament in the fourth quarter. The General Finance Laws Amendment Bill which amongst others, propose amendments to the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) to provide for a regulatory framework for the designation and replacement of official benchmarks administered by the South African Reserve Bank, was published for public comment in the last quarter of the financial year.

Input was provided on draft legislation developed by other departments, and various instructions and other legal instruments were scrutinised. Legal advice was provided to the department and the Minister of Finance on various matters critical to the National Treasury and institutions to which the legislation applies.

# TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 1: ADMINISTRATION

| PROGRAMME 1: ADMINISTRATION | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 1.1.1 | Sound financial controls and management of public finances | Reports on the implementation of the Corporate Governance of Information Communication Technology (CGICT) | Number of reports on the implementation of the CGICT | # | # | 4 | 4 | N/A | N/A |
| 1.1.2 | | Progress reports on the implementation of the audit action plan | Number of progress reports on the implementation of the audit action plan | # | # | 4 | 4 | N/A | N/A |
| 1.1.3 | | Reports on the implementation of Business Continuity Management plan | Number of reports on the implementation of Business Continuity Management plan | # | # | 2 | 1 | -1 | Underperformance is attributed to delays in the drafting of the plan due to consultation required on the business continuity implementation plan. |

| PROGRAMME 1: ADMINISTRATION | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 1.1.4 | | Management and leadership development programme | Number of management and leadership development programmes implemented | # | # | 4 | 4 | N/A | N/A |
| 1.1.5 | | Quarterly reports | Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced | # | 4 | 4 | 4 | N/A | N/A |

## STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

| UNDERPERFORMING INDICATORS AND ACTION PLANS | | | | | |
|---|---|---|---|---|---|
| PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH | | | | | |
| APP# | OUTCOME | OUTPUT | OUTPUT INDICATOR | REASON FOR DEVIATION | ACTION PLAN |
| 1.1.3 | Sound financial controls and management of public finances | Reports on the implementation of Business Continuity Management plan | Number of reports on the implementation of Business Continuity Management plan | Underperformance is attributed to delays in the drafting of the plan due to consultation required on the business continuity implementation plan | This work will continue in the first quarter of 2026/27. |

## CHANGES TO PLANNED TARGETS

There were no changes to planned targets for this reporting period.

## LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 1: ADMINISTRATION | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER-EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER-EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Ministry | 5,643 | 5,642 | 1 | 7,352 | 6,445 | 907 |
| Departmental Management | 89,587 | 88,561 | 1,026 | 84,495 | 79,351 | 5,144 |
| Corporate Services | 301,606 | 300,545 | 1,061 | 274,383 | 216,153 | 53,230 |
| Enterprise-Wide Risk Management | 40,731 | 40,591 | 140 | 43,238 | 40,631 | 2,607 |
| Financial Administration | 62,786 | 62,706 | 80 | 81,198 | 66,148 | 15,050 |
| Legal Services | 25,973 | 25,912 | 61 | 22,370 | 21,124 | 1,246 |
| Internal Audit | 24,506 | 24,209 | 297 | 24,041 | 23,020 | 1,021 |
| Communications | 13,531 | 13,166 | 365 | 14,472 | 13,804 | 668 |
| Office Accommodation | 138,045 | 137,936 | 109 | 210,588 | 123,418 | 87,170 |
| **Total** | **702,408** | **699,268** | **3,140** | **762,137** | **590,094** | **172,043** |

## 4.2 PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

**Purpose**: Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, the financial sector, taxation and regulatory reform.

### Institutional outcomes

- Coherent economic policy advocated
- Sustainable public finances

### Subprogrammes

#### Research

This sub-programme promotes economic research institutions by funding economic research in the public interest and dedicated economic research on behalf of National Treasury. This includes research into the promotion of macroeconomic stability, poverty alleviation, social security and retirement reform and financial sector policy development. Most funding is assigned towards long-term agreements with institutions and for ad hoc economic research related projects.

#### Financial Sector Policy

This sub-programme is responsible for developing policy relating to the regulation of the financial sector in South Africa, with specific focus on making it safer by increasing resilience, stability, enhancing integrity and competition, and making it serve South Africans better including broadening access to financial services, and improving household savings rate through continuing retirement reforms.

#### Tax Policy

This sub-programme is responsible for preparing tax and revenue proposals for the annual national budget, and for drafting the necessary tax legislation to give effect to the proposals adopted. The unit also processes recommendations to the Minister of Finance and provides advice to the Minister on such recommendations. The unit promotes an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and

delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability, reduction of inequality, and raising of revenue.

### Economic Policy

This sub-programme provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the Budget Review and Medium-Term Budget Policy Statement (MTBPS) and scenario modelling. The sound policy advice helps to improve South Africa's macroeconomic and microeconomic frameworks and assists in promoting economic policy coherence in relation to the objectives of growth and job creation, as policy advice is mainly focused on creating decent employment through inclusive economic growth.

# SERVICE DELIVERY OBJECTIVES AND INDICATORS

## Recent outputs

### Tax and Financial Sector Policy

The division carried out the processes required to implement the tax proposals announced by the Minister of Finance in the 2025 Budget Review and the 2025 Budget Overview. These included conducting research and drafting legislation; consulting with the public and the standing and select committees on finance; adjusting specific policy measures and related legislation, taking public comments into consideration; and tabling legislation and facilitating their enactment.

During the period under review, the Taxation Laws Amendment Bill and the Rates and Monetary Amounts Bill were tabled and adopted by Parliament and enacted into law after consultation with the standing and select committees on finance. South Africa held the G20 Presidency from December 2024 until November 2025 spanning both the 2024/25 and 2025/26 reporting periods. The National Treasury's tax policy team (in collaboration with SARS) led the programme on international taxation on behalf of government at the G20 The four priorities for South Africa's presidency in this area included: taking stock of progress and advancing the two-pillar tax reform, supporting domestic resource mobilisation, addressing inequality and improving tax certainty.

The G20 Presidency advanced African interests in international taxation by promoting domestic resource mobilisation (DRM) and enhancing tax capacity. A side event held in February 2025 focused on bridging the tax gap. It underscored the importance of prioritising DRM as the most effective funding source; investing in modern, resilient revenue administrations; and deepening international cooperation.

Complementary to this, the IMF was tasked with compiling a comprehensive background note on enhancing Domestic Resource Mobilization (DRM) through the strengthening of tax and customs administrations. The final report (delivered in September 2025) establishes that structural investments in institutional frameworks, data analytics, and taxpayer segmentation yield a fiscal return exceeding ten times their administrative cost, offering a non-debt pathway to raise revenue by up to 5 percent of GDP. By securing this benchmark report, National Treasury has provided the G20 with a practical roadmap that bridges the gap between international tax architecture and domestic execution, ensuring that global mechanisms like the OECD's and the UN's Tax Conventions translate into tangible revenue collection and long-term fiscal resilience for developing nations. The Platform for Collaboration on Tax's Report "Progress in Strengthening Frameworks for Building Tax Capacity" (delivered in September 2025) demonstrates the importance of coordination and collaboration among capacity-building providers and recognises the value of a structured approach to reform which is country-owned and country-led, fulfilling the social contract with taxpayers. The critical role regional organisations play is highlighted.

Additional reports delivered for the Presidency, by international organisations, demonstrate the importance of transparency, information exchange, international coordination and capacity building tailored to need, if countries are to raise more domestic resources, address inequality and improve certainty. The Inclusive Framework Report "A Decade of the BEPS Initiative: An Inclusive Framework Stocktake Report to G20 Finance Ministers and Central Bank Governors" (delivered in October 2025) takes stock of the progress and impact of the base erosion and profit shifting (BEPS) Project on what it set out to accomplish – bringing more coherence, substance, and transparency and certainty to the international tax system. It also demonstrates that working together is beneficial. Building on the gains and ensuring that developing countries can fully participate and benefit, will require supporting inclusive participation and enhancing tax capacity tailored to need.

The OECD and Global Forum Report "Taking Stock of Progress on Transparency and Exchange of Information for Tax Purposes" (delivered in July 2025) illustrates how international tax cooperation, led by the G20, can yield significant strides in enhancing tax authorities' ability to share information and, in turn, increase tax collections. The OECD Report "Framework for the Automatic Exchange of Readily Available Information on Immovable Property: Report to G20 Finance Ministers and Central Bank Governors" (delivered in October 2025) sets out a common approach to strengthen international tax transparency on immovable property among interested jurisdictions on a voluntary basis. The Minister of Finance wrote to G20 members in July 2025 to encourage participation and strengthen collaboration in respect of this initiative. On 4 December 2025, SARS announced that South Africa, along with 24 other jurisdictions, welcomes the Multilateral Competent Authority Agreement on Automatic Exchange of Readily Available Information on Immovable Property (IPI MCAA) between tax authorities developed by the OECD. South Africa aims to join the IPI MCAA by 2029 or 2030, subject to domestic procedures as

applicable, and encouraged other jurisdictions to do the same in the collective effort to promote transparency, fairness and efficiency in global taxation.

During the period under review, the National Treasury, in its role as the President of the G20, also intensified efforts to close the financing gap for Micro, Small, and Medium Enterprises (MSMEs) in line with the Global Partnership for Financial Inclusion's (GPFI) Action Plan for Micro, Small, and Medium Enterprise Financing. A Presidential Paper titled G20 Policy Recommendations for Moving from Financial Access to Usage was published in February 2026. This reaffirmed the commitment to financial inclusion by promoting increased usage of financial services across payments, savings, credit and insurance while strengthening consumer protection and trust.

To transition from policy to implementation, the National Treasury's Financial Inclusion Team has coordinated the Financial Inclusion Working Group and Financial Inclusion Forum, which are leading the development of South Africa's National Financial Inclusion Strategy. The division continued to support consumer financial education through the National Consumer Financial Education Committee and the Money Smart Week South Africa campaign. The campaign provides a national collaborative platform for participating organisations to deliver financial education initiatives and supports broader efforts to improve financial literacy, consumer awareness and informed financial decision-making.

The division coordinated and chaired the revenue analysis working committee, which provided for revised tax revenue forecasts in the 2025 MTBPS and the 2026 Budget. For the 2026 Budget, it also updated the estimates for tax expenditure and proposed numerous technical tax amendments to be legislated in 2026/27. At the time of the February 2026 Budget Review, revenue for 2025/26 was expected to exceed estimates in the 2025 Budget by R21.3 billion despite lower-than-expected nominal GDP. During the year under review, the division, along with other government departments and agencies, continued working on strengthening the country's anti-money laundering system. This culminated in South Africa fully completing the Action Plan by addressing all the 22 action items that had been identified when the country was greylisted by the Financial Action Task Force (FATF) in February 2023. The completion of the Action Plan and a subsequent positive assessment by a FATF Review Team that undertook an onsite visit to South Africa in July 2025 resulted in the country being delisted from the FATF greylist in October 2025.

The division continued collaborating with the SARB, the Prudential Authority and the FSCA in the ongoing process of drafting the Financial Markets Amendment Bill. The proposed Financial Markets Amendment Bill proposes revisions to the Financial Markets Act (2012) so as to enhance the competitiveness of South Africa's financial markets, support broader market participation, and position South Africa as a premier investment destination.

Working with the SARB, the division continued with the process of developing a new Capital Flows Management Framework, which seeks to modernise South Africa' approach to managing cross-border capital flows through a greater focus on the reporting and the surveillance of high-impact and high-risk cross-border transactions, and the combating of illicit financial flows. In

this respect, the division finalised the drafting of the Capital Flow Management Regulations, which will replace the Exchange Control Regulations of 1961. The modernisation of South Africa's regulatory framework for cross-border financial flows seeks to improve the country's ability to become a premier and attractive destination for foreign direct investment, and thereby stimulating economic growth, and integrating the country more effectively into the global financial system.

The division started the public engagements on the alcohol tax review process with a first stakeholder workshop held in November 2025 and several technical workshops to follow in the next financial year. This process seeks to develop an appropriate excise policy framework that will raise revenue, make alcohol less affordable over time and reduce consumption and related harm. Furthermore, the division released a national online gambling tax discussion paper in November 2025 for public comments where it proposes a 20 per cent tax on gross gambling revenue on online gambling operators. This proposal is a response to the rapid growth of online gambling in South Africa, fueled by increased internet access, smartphone usage, and aggressive marketing and sponsorship or other association with popular sports leagues. Alongside this expansion, serious social costs have emerged, including financial hardship, family breakdowns, violence, mental illness, and even suicides. Stakeholder consultations will be underway in the following financial year.

### Economic Policy

During the period under review, the division continued to produce policy-relevant research, reports and presentations in accordance with its research programme. These included the development and monitoring of the monetary policy framework in support of competitiveness, price stability and economic growth; and conducting analysis of global and domestic financial trends. As part of overseeing and implementing South Africa's macroeconomic policy framework, the division analysed and monitored macroeconomic trends and the policy framework to support sustainable economic growth. These included fiscal policy and those related to employment, equality and transformation. Research and analytical support were provided to develop policies to address industrial policy, competition and regulation policy, as well as energy and just transition actions.

The division generated appraisals of submissions to the International Trade Administration Commission, participated in stakeholder engagement forums and provided guidance to technical task teams and stakeholders. It also provided technical support to Operation Vulindlela to implement structural reforms in various sectors, including electricity, water and logistics. During the period under review, the division continued to support the collaborative programme Southern Africa – Towards Inclusive Economic Development along with SARS and the United Nations University World Institute for Development Economics Research. In 2025/26, the division produced quarterly economic and revenue forecasts accompanied by scenarios that highlight the main risks to the baseline macroeconomic forecast. In addition, the division

undertook extensive capacity building and skills enhancement activities to ensure business continuity and mitigate against institutional risks. This included extensive training in forecasting and economic policy impact analysis. The division also continued to assist with the evaluation of tax and expenditure proposals on a macro level.

# TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

| PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 2.1.1 | Coherent economic policy advocated | Research papers | Number of research papers completed | 30 | 45 | 30 | 47 | 17 | Over-performance is attributed to the extension of the programme from June 2025 to March 2026. |
| 2.1.2 | | Financial sector legislation | Financial sector legislation drafted | Financial sector legislation submitted for tabling in Parliament | Financial sector Legislation not submitted to Cabinet | Financial sector legislation submitted to Cabinet | Financial sector legislation submitted to Cabinet | N/A | N/A |
| 2.1.3 | | Tax legislation | Legislation to give effect to tax proposals from the Budget drafted | Tax legislation submitted for tabling in Parliament | Tax legislation submitted to Parliament | Tax legislation submitted to Parliament | Tax legislation submitted to Parliament | N/A | N/A |
| 2.1.4 | Sustainable public finances | FATF Action Plan Progress Report | Number of progress reports on the implementation of FATF action plan produced | # | 3 | 3 | 3 | N/A | N/A |
| 2.1.5 | | Economic forecasts | Number of economic forecasts developed | 4 | 5 | 4 | 4 | N/A | N/A |

| PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 2.1.6 | Coherent economic policy advocated | Analysis and advice | Number of macro and microeconomic policy analysis and advice reports produced | 9 | 8 | 8 | 8 | N/A | N/A |

# 04 PERFORMANCE INFORMATION BY PROGRAMME

## STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

No underperforming indicators for this reporting period.

## CHANGES TO PLANNED TARGETS

No changes to planned targets for this reporting period.

## LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER-EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Management for Economic Policy Tax Financial Regulation and Research | 31 652 | 24 674 | 6 978 | 51 613 | 47 443 | 4 170 |
| Financial Sector Policy | 23 659 | 22 101 | 1 558 | 23 917 | 21 430 | 2 487 |
| Tax Policy | 31 250 | 26 678 | 4 572 | 34 406 | 26 450 | 7 956 |
| Economic Policy | 34 185 | 29 755 | 4 430 | 35 883 | 33 022 | 2 861 |
| Cooperative Banks Development Agency | 16 850 | 16 850 | - | - | - | - |
| **Total** | **137 596** | **120 058** | **17 538** | **145 819** | **128 345** | **17 474** |

## 4.3 PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

**Purpose**: Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support. Facilitate employment creation and high-impact government initiatives and strengthen infrastructure planning and delivery. Supports effective administration of pensions, retirement, and other benefits.

### Institutional outcomes

- Coherent economic policy advocated
- Sustainable public finances

### SUBPROGRAMMES

#### Budget Office

The Budget Office is responsible for providing fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework. The Budget Office coordinates the national budgeting process which includes coordinating resource allocation to meet priorities set by government. The Budget Office oversees expenditure planning, leads the budget reform programme, coordinates international development cooperation, provides advice on public service remuneration and pension arrangements and compiles public finance statistics, ensures effective administration of pension, retirement, and other benefits.

#### Public Finance

Public Finance provides financial and budgetary analysis, advises on policy, and manages the National Treasury's relations with other national departments as well as its own analytical work. The division monitors the use of scarce public resources by national spending agencies, engaging where necessary with accounting officers and other officials to promote the efficient and effective use of these resources. Based on engagements with departments, the Public Finance team provides recommendations annually to the Technical Committee on Budget (TCB).

## Intergovernmental Relations

Intergovernmental Relations coordinates fiscal relations between national, provincial and local government, promotes sound provincial and municipal budgetary planning, monitors implementation through periodic reporting and assists in building capacity that enables efficient and effective financial management practices. The division monitors the use of scarce public resources by provincial and local government, regularly engaging with a range of stakeholders to promote effIcient and effective use of these resources. It also provides technical assistance to government departments to promote improved planning and management of infrastructure delivery and assists Provinces with the preparation of mandatory financial recovery plans for municipalities placed under mandatory intervention.

# SERVICE DELIVERY OBJECTIVES AND INDICATORS

## Recent outputs

### Budget Office

The Budget Office division is responsible for the national budget process, including publication of the Budget Review and MTBPS. During the reporting period, the division oversaw expenditure planning, provided fiscal advice, led the budget reform programme, managed official development assistance and compiled public finance statistics.

The division oversaw the publication of two fiscal frameworks and two fiscal policy chapters (for the 2025 MTBPS and the 2026 Budget Review) during the reporting period. The fiscal risks statement and technical annexure published in the 2025 MTBPS were also key outputs. The division hosted three structured stakeholder consultations on fiscal anchors during July and August 2025 involving civil society organisations, debt capital market participants, and academic experts. These engagements marked the first phase of a broader consultation process intended to strengthen the sustainability, credibility, and transparency of South Africa's fiscal framework, while incorporating diverse technical perspectives and market. Furthermore, the division played a leading role in providing fiscal policy advice and working with all relevant stakeholders – including the Ministers' Committee on the Budget, Cabinet and Parliament – to ensure that all relevant processes were completed for the approval and adoption of the fiscal framework.

The MTBPS and Budget Review provided updated insights into infrastructure spending. Alongside its ongoing mandate to regulate, analyse and report on infrastructure investment in the public sector, the Fiscal Policy unit also processed Treasury approvals and Treasury views and recommendations for PPPs across the national, provincial and municipal spheres. Notable PPP projects that received approval to proceed to procurement include the National Archives and the accommodation precinct for the Council for Scientific and Industrial Research. Additionally, phase 2 of the Inkosi Albert Luthuli Central Hospital project successfully concluded procurement and signed an agreement with a new PPP partner. In terms of regulatory reform for PPPs, amendments were drafted to National Treasury Regulation 16 and Municipal PPP Regulation 309. These amendments were published for public comment on 19 February 2024, with the consultation period closing on 15 April 2024. Final amendments to National Treasury Regulation 16 were issued on 7 February 2025. To support the implementation of these changes, guidelines were developed for fiscal commitments and contingent liabilities, as well as for unsolicited bid proposals.

The division operationalised the newly established Infrastructure Regulation and Assessment unit, mandated to regulate PPPs, assess infrastructure proposals requiring fiscal support, and lead key infrastructure reforms. During the period under review, the unit provided updated

insights into infrastructure spending through the 2025 MTBPS and 2026 Budget Review. In executing its regulatory and oversight mandate, the unit processed Treasury approvals and issued Treasury views and recommendations for PPPs across the national, provincial and municipal spheres. Notable projects that received approvals and/or views and recommendations include the Gautrain Post-2026 project, Suikerbosrand Nature Reserve, the City of Johannesburg Waste-to-Energy project, the City of Cape Town's Faure New Water Scheme and Desalination Plant, and the iSimangaliso Wetland Park Cape Vidal Resort. These projects reflect a diversified and maturing PPP pipeline across key sectors.

Progress was made in advancing PPP regulatory reform. Amendments to National Treasury Regulation 16 (NTR 16) were gazetted on 7 February 2025 and came into effect on 1 June 2025. In support of this reform, the Fiscal Commitments and Contingent Liabilities Guideline as well as the Unsolicited Bid Proposal Guidelines were finalised and issued on 31 October 2025.Together, these measures strengthen regulatory clarity, enhance fiscal risk management, and reinforce governance across the PPP framework.

The Infrastructure Regulation and Assessment unit is also responsible for overseeing the Budget Facility for Infrastructure (BFI). During the reporting period, the facility underwent significant reform to improve its responsiveness and effectiveness. This included its reconfiguration to run multiple windows, the establishment of a National Treasury committee that meets quarterly to take investment decisions and determined the appropriate fiscal instruments to support projects and programmes, and the expansion of the facility's scope to include proposals at the pre-feasibility stage. Evaluation processes have been refined and tailored to each stage of development, enabling more targeted and efficient appraisal review.

The BFI received 51 submissions with a combined capital cost of R474.3 billion. Of these, 13 were admitted into the pipeline with 6 approved for fiscal support. These include the Square Kilometre Array Project (Mid AA) which supports South Africa's radio astronomy and scientific research infrastructure; the Polokwane Regional Wastewater Treatment Works Project aimed at strengthening wastewater treatment capacity; and several freight and logistics projects implemented by Transnet such as the North Corridor Reinstatement Project, the Iron Ore Corridor project and the Durban Container Terminal project, all of which are critical to enhancing rail and port infrastructure.

In addition, the unit continued to oversee the operational aspects of the Infrastructure Fund, which plays a catalytic role in mobilising private-sector investment through h blended finance while facilitating early financial closure. Since its inception, the Fund has supported the packaging and financial structuring of 26 blended finance projects and programmes, with a capital value of R130.8 billion across sectors including water and sanitation, human settlements, student accommodation, transportation, health and municipal energy. To date, the Fund has secured R51.3 billion in support through the BFI and is expected to crowd in R67.3 billion in private capital as projects progress towards financial close. As part of ongoing institutional reforms aimed at strengthening infrastructure financing and delivery, the Infrastructure Fund was

consolidated into the Infrastructure Finance and Implementation Support Agency (IFISA), enabling greater scale, coordination and impact.

The Budget Planning and Reform unit plans the annual national government medium-term expenditure framework (MTEF) process, as well as the in-year budget process, and maintains the budget process calendar. The unit is the secretariat to the Technical Committee on the Budget. The annual processes for deciding on budget allocations are conducted in consultation with the Minister of Finance and the Ministers' Committee on the Budget. The unit issued various guidelines to government institutions on the input requirements for the budget process and administered the process of budget consultations that culminated in Cabinet's approval of the allocations tabled in the main budget and the adjustments budget. The unit also coordinated the production of all budget circulars and schedules for the annual and adjustments budgets and conducted budget outreach activities to enable the discussion of the budget with a wider cross-section of South African society.

The unit coordinates the mainstreaming of cross-cutting reforms into the budget process and continues to develop and maintain the Vulekamali portal. It also provides leadership for budget reforms by coordinating various initiatives. Key milestones were reached during the reporting period, with budget tagging reforms being piloted for gender-responsive budgeting, climate budget tagging and science. A budget statement was published for the gender-responsive budgeting pilot. Interactions with the International Budget Partnership as well as civil society and other institutions continued to increase transparency, public participation and understanding of budgeting processes and information.

Public Finance Statistics continued to provide public sector finance statistics for budget publications and detailed fiscal information to a wide range of internal and external stakeholders during the budget process. The unit supported the publication of the 2026 Budget on the National Treasury website, including the introduction and publication of interactive dashboards to accompany key statistical tables. Statistical information was classified and presented in accordance with both international and national standards.

Government accounts – including the operating account, capital account and consolidated financing position – were consolidated and classified according to economic and functional classifications for the 2025 MTBPS and 2026 Budget Review. In addition, statistical tables and supporting data were prepared for the 2026 Estimates of National Expenditure (ENE).

During the review period, the dashboard environment was further enhanced to improve accessibility to critical financial information for users of the in-year monitoring and reporting system for national departments, as well as the quarterly reporting system for public entities. Enhancements focused on strengthening reporting capability, improving user insight, and supporting more effective expenditure monitoring and analysis.

The partnership with the Technical Support Services unit in the Office of the Accountant-General continued in support of the management and maintenance of the Standard Chart of Accounts

(SCOA) and its associated governance structures. Through this collaboration, a number of classification circulars were published, and ongoing participation was maintained in the Basic Accounting System (BAS) user forums to support consistent application of financial classifications and reporting standards across government.

The Public Entities Governance unit implements the recommendations of the public entities' governance review framework and provides institutional support to national and provincial public entities on a range of issues. It helped to prepare consolidated financial accounts and maintain the budget databases and administrative records of the government sector in general, including public entities. It developed and implemented remuneration frameworks for public entities, and enhanced regulation and governance by providing public entities with advice on legislative, financial, human resources and other issues. It also supported various departmental review committees on public entities reporting to ministers and consulted with departments on budgets and policy-related matters concerning public entities.

The International Development Cooperation (NT IDC) unit is mandated to ensure effective coordination, ownership and management of Development Cooperation, including official development assistance (ODA). This function is executed in partnership with government departments, development partners, non-profit organisations and, where applicable, the private sector.

Development cooperation is commonly referred to support provided by external partners to advance the development priorities of developing countries. It encompasses both financial flows (grants, concessional loans) and non-financial support such as technical assistance, knowledge exchange, and capacity building. The NT IDC unit further facilitates effective programme delivery of ODA with implementing partners in country and ensures improved alignment of ODA to budget processes and priorities.

The development co-operation landscape is changing significantly since the adoption of the Millennium Development Goals (MDGs) in 2000, and action is now being given more urgency in view of the impending architecture and efforts to attain the Sustainable Development Goals (SDGs). During the past decade, official development finance has diversified beyond non-repayable grants into a wider mix of concessional loans, guarantees, equity, and other private sector instruments, alongside increasing emphasis on climate-related finance and blended approaches. Within this context, South Africa has obtained commitments from the International Partners Group for supporting our Just Energy Transition programme with potentially around $ 5 billion of support through concessional financing and technical expertise in the next 5 years.

The Public Sector Remuneration Analysis and Forecasting unit provides timely analysis and policy advice on the fiscal impact of government's remuneration policies. This includes forecasting the two main drivers of the public sector wage bill over the medium term: the remuneration and headcount of public servants. As the wage bill constitutes a large share of

public finances, government's ability to curb growth in this area greatly influences the sustainability of public finances. This forms part of the unit's core work.

The unit provided technical and institutional support to various stakeholders on the public sector wage bill in 2025/26. This included quantifying the fiscal risks associated with the bill, conducting comparative remuneration analyses of other public sectors, and performing international benchmarking. During 2025/26, the unit drafted and published the 2025 MTEF guidelines for costing and budgeting for compensation of employees, and Annexure B (compensation and employment data) of the 2025 MTBPS. As part of the 2025 MTBPS process, a total of R20.4 billion was allocated over the 2025 MTEF funding was allocated to address compensation pressures and capacity constraints in education and health. It also provided technical assistance to internal and external stakeholders on queries relating to conditions of service for employees in various public entities.

A major milestone for the unit in 2025/26 was the drafting and implementation of the incentivised early retirement programme. Designed as a strategic intervention to manage the public sector headcount and reduce long-term wage bill pressures, the unit collaborated closely with the Department of Public Service and Administration (DPSA) to finalise the programme's policy and financial framework. The unit conducted extensive financial modelling to ensure the initiative yields structural savings over the medium term without compromising frontline delivery. Following its launch, the unit actively monitored uptake and processed technical queries to support executive authorities in responsibly managing early exits and reprioritising critical posts within their financial ceilings.

Following the conclusion of the multi-year wage agreement (2025/26 to 2027/28) in the Public Service Coordinating Bargaining Council during the previous financial year, the unit's focus shifted to monitoring its execution. Throughout 2025/26, the unit tracked the fiscal impact of the agreement across national and provincial departments to ensure adherence to the compensation baselines and manage the carry-through costs in subsequent financial years.

Building on the successful conclusion of the remuneration review framework for senior managers in local government in the previous year, the unit continued to engage the Department of Cooperative Governance and Traditional Affairs. The unit provided its yearly cost analysis on the remuneration of municipal councillors, as well as the upper limits on total remuneration packages payable to municipal managers and managers directly accountable to them, as part of the mandated consultation process.

The unit further provided cost analysis and inputs to the annual recommendations by the Independent Commission for the Remuneration of Public Office-Bearers on cost-of-living adjustments for 2025/26. As a key stakeholder, the unit also provided the commission with the National Treasury's perspective on related aspects of the major remuneration review report, ensuring that the necessary resources enabling office-bearers to perform their functions remain balanced against broader fiscal constraints. The unit also prepared and issued a circular that

provided clarity on the treatment and budgeting for the payment of the special exit gratuity for eligible members of the Political Officer Bearers Pension Fund.

The unit is also responsible for advising the Minister of Finance on matters relating to the procurement of official vehicles for members of the executive as prescribed in the relevant Guide for Members of the Executive. In 2025/26, an Instruction Note that set the revised price threshold for purchase of official vehicles was issued.

## Public Finance

The division oversees budgetary planning and execution in national departments and entities, provides advice on and analysis of sectoral policies and programmes, monitors public expenditure, and advises on the financial and budgetary aspects of public policy and spending proposals. It also provides advice to the minister, deputy minister and director general on Cabinet memorandums and public finance issues that require ministerial concurrence or approval from the National Treasury. It is the primary link between the National Treasury and other national departments and entities.

## Administrative Services

The administrative services unit oversees the finances and budgets of several central government departments and entities. Departments and other key structures with which the unit worked during the period under review included:

### National Treasury

- Participated in the Auditor-General's consultation with National Treasury in accordance sections 23(1) and 38(4) of the Public Audit Act, respectively, regarding its basis for the calculation of audit fees to be recovered from auditees and the retention of surplus from the preceding financial year. Provided inputs and commentary in the National Treasury's formal response to the Auditor-General South Africa.
- Supported the National Treasury's efforts in identifying non-performing programmes and guided the phased-in closure of the Neighbourhood Development Partnership Grant and the reprioritisation of savings derived from this transition to other priorities within the department in the 2026 Budget, e.g the review and enhancing of the financial management system, the national data exchange initiative (MzansiXchange), and the implementation of the national e-government procurement platform.
- Facilitated the coordination of budget inputs affecting the National Treasury Budget Vote from various stakeholders and ensured their correctness in all Appropriation Bills tabled in 2025/26.

- Participated in the G20 interdepartmental sponsorship and supply chain committees and guided the departments on compliance issues in relation to the G20 Sponsorship Framework.

### Government Communication and Information System

- Supported the department to secure funding pay for commitments from the preceding financial year through a rollover process.
- Supported the department to secure funding through the self-financing facility from revenue generated from subletting office accommodation to the Border Management Authority

### Statistics South Africa

- Supporting Statistics South Africa in securing funding for its existing commitments in 2025/26 and the carry through effects over the MTEF period.
- Close monitoring of spending in the department and ongoing advice to assist the department to avoid overspending of the amounts allocated to the vote or programmes within the vote.

### Department of Planning, Monitoring and Evaluation

- Participated in discussions and provided inputs on the Public Enterprises Bill.

### Public Service and Administration and the National School of Government

- Provided technical advice on the department's bill on the professionalisation of the public service.
- Advised the department on mechanisms for reducing the department's underspending by the end of the financial year, by asking the department to consider shifting some of its budget to the Public Service Commission through the budget adjustment process.
- In programme meetings, jointly considered savings for government as a whole realisable from an updated review of government spending on ICT and implementation of associated cost containment measures.
- Facilitated the granting of National Treasury approval for the National School of Government's tariff structure.

### Department of Public Service and Administration and National School of Government

- Provided technical advice to the Department of Public Service and Administration on the development of a draft directive on the proposed inclusion of additional compulsory training programmes offered by the National School of Government to the public service.

### Department of International Relations and Cooperation

- Engaged with the department on an appropriate foreign currency-based funding model for budgeting for the requirements of the department's foreign missions.
- Provided technical support for the implementation of budget and non-budgetary funding mechanisms for South Africa's G20 summit activities.
- Facilitated the management of budget pressures arising from the depreciation of the Rand against major currencies which created shortfalls in some of the departments' budgets for South Africa's multilateral institution membership fees.

### Department of Public Works and Infrastructure

- In the budget process, highlighted the importance of increasing budgets for accommodation charges and of getting clients to pay their debt to the Property Management Trading Entity for the financial viability of the trading entity.
- Supported the department's contribution towards government's housing policy for low-income households through the National Treasury's approval of donations of properties to the Housing Development Agency for human settlement development purposes.
- Engaged with the Property Management Trading Entity on significant financial risks arising from the non-performance of the shared-savings water and energy efficient programme, and the need for a review of the programme.
- Commented on the department's draft policy on professional insurance for government's built environment related engineers and projects.
- Facilitated the granting of National Treasury approval for accommodation charges.

### Public Service Commission

- Facilitated the reprioritisation of funds towards the Public Service Commission's shortfall in the budget for compensation of employees through the adjusted estimates of national expenditure.
- Facilitated the provision of additional funding for compensation of employees through the 2026/27 appropriation bill.

### Department of Home Affairs

- Participated in the strategic meetings on the capacitation of the Border Management Authority (BMA), including meetings with Ministers of Home Affairs and the South African Police Services and secured the allocation of R990 million over the MTEF for the BMA and R50 million through CARA funding for ICT related spending capacitating the BMA.
- Supported the BMA in securing additional funding through the U&U process for its role in the G20.
- Supported the provision of the allocation of the additional R1.1 billion to the Independent Electoral Commission for the 2026 local government elections.

### Parliament

- Participated in the steering committee on the rebuilding of Parliament and supported the provision of additional allocation for the funding of the project.

### Presidency

- Considered funding mechanism for the National Dialogues. This included engagements to establish funding principles for the dialogues, which resulted in additional funding provided for the project.

## Justice and Protection Services

The Justice and Protection Services unit oversees planning, expenditure and service delivery by departments in the justice, crime prevention and security cluster. Key achievements during the reporting period included:

Police and the Independent Police Investigative Directorate

Provided and coordinated inputs on various policy matters and frameworks, and notable ones are the following:

- National Policing Policy which aims to address rising crime levels and policing challenges. At its core, the policy focuses on resolving institutional challenges within the South African Police Service (SAPS) to enhance policing effectiveness. It envisions a professional, legitimate, and community-trusted SAPS.
- South African Police Service Amendment Bill, 2025 which aims to address several shortcomings in the current legal framework governing policing in South Africa. Many of these shortcomings arise from misalignments with constitutional imperatives relating to policing.
- Progress Report on Implementation of the President's response to the Recommendations of the State Capture Commission which highlights reforms implemented from the State Capture Commission report. These among others include the enactment of eight critical laws

addressing corruption, procurement, intelligence services, and corporate accountability indicating a strong legislative commitment towards a systemic reform.

- Progress on the implementation of the Integrated Crime and Violence Prevention Strategy which advocates for whole of government and whole of society in addressing root causes of crime.
- Programme Assessment Matrix analysis for the SAPS, Civilian Secretariat for the Police Service and Independent Police Investigative Directorate with identification of potential savings and efficiency gains and proposals of shared services model.
- Monitoring implementation of both infrastructure projects and integrated criminal justice strategy initiatives in SAPS.

### Justice and Secret Services

Provided policy support and advice on requests by the Department of Justice and Constitutional Development and related public entities for:

- guidance on the regularisation of unauthorised expenditure, approval of self-financing expenditure, funding for Commissions of Inquiry in financial years 2025/26 and 2026/27 (extensions), and utilisation of Criminal Assets Recovery Account funds to support the strategy to combat organised crime and assist victims of crime.
- the transfer of shared services functions (i.e. facilities management, security services and virtual library services) and related budgets from the Department of Justice and Constitutional Development to the Office of the Chief Justice (OCJ) in the 2026 MTEF for the enhancement of the independence of the judiciary

  Minister of Finance concurrence on the:

  - draft Justice Administered Fund (JAF) Regulations in accordance with section 8(1) of the JAF Act (2017)
  - proposed interest rate payable to certain monies in the Guardian's Fund in accordance with section 88 of the Administration of Estates Act (1965).

### Judicial Administration and Correctional Services Directorate

- Provided continued support and advice in the establishment of the Judicial Inspectorate for Correctional Services as a government component.
- Provided information to the Minister of Finance on the budgetary challenges facing the Office of the Chief Justice (OCJ), the transfer of shared services to the OCJ from the Department of Justice and Constitutional Development as well as the resources' requirement for the Judiciary independence.

### Defence and Military Veterans

- Assisted the Department of Defence in securing additional funding over the next three years to support the implementation of the early retirement programme, procurement of uniforms for South African National Defence Force (SANDF) members, maintenance of maritime vessels and the South African Air Force fighter capability, as well as strengthening border security through enhanced technology and improved mobility.
- Provided advice and support to the Department of Defence regarding early retirement without penalties as part of force rejuvenation and dealing with compensation of employees budget deficit.
- Represented National Treasury on the Transversal Ministerial Task Team (TMTT), mandated to address and resolve service delivery challenges experienced by the Department of Military Veterans in administering benefits to military veterans, remove systemic obstacles, and support the department's broader turnaround strategy.
- Supported the Department of Military Veterans in finalising the revised military veterans pension benefit regulations to facilitate the implementation of pension benefits for qualifying military veterans and their dependants. The revised regulations introduced means test provisions, which had been absent from the initial regulations.
- Served in the Change Management workstream, supporting the Department of Defence in addressing the financial and organisational implications arising from the integration of Denel as part of the 2024 National Macro Organisation of Government process.
- Provided policy support and advisory services to the Asset and Liability Management division regarding Denel's request for the Minister of Finance's concurrence on its application for a government guarantee of R660 million, in terms of sections 66(2) and 70(1) of the Public Finance Management Act, 1999.

## Education and Related Departments

The education and related departments unit monitors and advises on several functions implemented mainly by provinces and public entities. During the reporting period, the unit helped to improve the monitoring of spending and service delivery, assisted with reviews of departmental policies and approaches to implementation, and advised on financial management. Work carried out in 2025/26 included:

### Department of Basic Education

- Assisted and advised the basic education sector on developing and implementing a results-based funding initiative to be piloted for early childhood development.
- Served on the project steering committee that oversaw the implementation of the fifth phase of the presidential youth employment initiative and advised on planning for its subsequent phases.
- Supported the international development coordination chief directorate with the implementation of the Education for Employment donor-funded collaborative project with the departments of basic education, higher education and training, and employment and labour.
- Served on the project steering committee for teacher training on the robotics and coding project with teacher unions and advised on e-education initiatives.
- Served as the National Treasury representative in the heads of education finance subcommittee.
- Advised and assisted the department with shifting the school infrastructure backlogs grant into the education infrastructure grant and establishing an enhanced infrastructure planning and support unit at the national level.
- Served on the steering committee to modernise the South African School Administration and Management System.

### Department of Higher Education and Training

- Served on the project steering committee for the skills development dialogue series as part of a capacity-building programme to promote employment.
- Advised the department on possible student funding initiatives to cater for the “missing middle”.
- Represent National Treasury on the Just-Energy-Transition Served on the joint health sciences education committee, which deals with the provision of health science-related qualifications at higher education institutions, with the departments of health and higher education and training.
- Advised the department on addressing the slow rollout of infrastructure projects in the post-school sector.

### Department of Employment and Labour

- Advised the department on the fifth phase of the presidential youth employment initiative and advised on planning for its subsequent phases.
- Served on the adjudication committee for public employment services subsidy schemes for people with disabilities.
- Served on the Education for Employment steering committee.
- Provided advice and guidance to the Unemployment Insurance Fund on its labour activation programme and education assistants programme.
- Participated in World Bank discussions on the review of public employment services and interoperable systems for grants and jobs.
- Served on the steering committee working on the development of a feasibility study and business case for the Presidential Climate Commission, which is temporarily housed at the National Economic Development and Labour Council.
- Provided advice and support to the department on restructuring the department and unbundling the Unemployment Insurance Fund and Compensation Fund from it.

### Department of Sport, Arts and Culture

- Provided advice and support on the sixth phase of the presidential youth employment initiative.
- Provided advice and guidance on aligning the Mzansi golden economy strategy's open call for proposals with the budget process.
- Advised the department on its public entities' shared services plans.
- Advised the department on shifting the community library services grant and the mass participation and sport development grant into the provincial equitable share

## Health and Social Development

The health and social development unit oversees the budgets, spending and service delivery of the departments of health; social development; and women, youth and persons with disabilities. It also provides support and advice to these sectors in several policy areas. Work carried out in 2025/26 included:

### Department of Health

- Undertook a baseline analysis to assess potential savings in provincial health budgets should the personnel expenditure review recommendations be implemented.
- Supported the budget facility for infrastructure team in ensuring that the provisional allocation for health infrastructure projects for Tygerberg and Klipfontein hospitals in the Western Cape are confirmed in 2025/26 and 2026/27.
- Led the introduction of a Special Appropriation Bill in Parliament providing emergency funding to mitigate the impact of the PEPFAR funding withdrawal.
- Supported the reprioritisation of funds over the 2026 MTEF towards the South African Medical Research Council for research activities following USAID funding withdrawal.
- Led the work of the G20 joint finance and health task force as part of South Africa's G20 presidency.
- Provided technical support to the service provider leading the development of a long term macro-fiscal models for Health.
- Supported the Intergovernmental Relations division during the provincial benchmark process.
- Authored a chapter in the District Health Barometer on district health expenditure.

### Department of Social Development

- Developed a discussion paper providing options for the repurposing of the COVID-19 social relief of distress grant.
- Undertook detailed baseline analysis during the 2026 MTEF process to support the identification of efficiency savings in the social grant system.
- Led engagements with the World Bank on the research work to assess the affordability of the Social Security System in South Africa.
- Provided technical support to the service provider leading the development of long-term macro-fiscal models for Social Development.
- Supported the Intergovernmental Relations division during the provincial benchmark process.

- Reviewed the request for and supported the Minister of Finance's concurrence to the 2026/27 COVID-19 social relief of distress grant regulations.

### Department of Women, Youth and Persons with Disabilities

- Supported the review of the department's budget programme structure.
- Supported the reprioritisation of funds towards the Commission for Gender Equality to address a funding shortfall resulting from the devolution of functions from the Department of Public Works and Infrastructure (DPWI).
- Reviewed and supported the department's business case for additional funding for the operationalisation of the National Council on Gender-Based Violence and Femicide.

## Economic Services

The economic services unit provides budget, policy and expenditure management and support to national departments and public entities in the economic cluster. During the period under review, these departments included the now abolished Department of Public Enterprises; the Department of Agriculture, Land Reform and Rural Development; the Department of Forestry, Fisheries and the Environment; the Department of Science and Innovation; the Department of Small Business Development; and the Department of Trade, Industry and Competition. Key achievements included:

### Department of Public Enterprise

- Managed residual and transitional matters following the dissolution of the Department of Public Enterprises, including overseeing the transfer of functions to receiving departments and entities, facilitating the transfer of the Diabo Trust, and supporting the effective wind-down of the department in line with the 2024 national macro reconfiguration of government.

### Department of Agriculture, Land Reform and Rural Development

- The National Treasury convened and coordinated the 10X10 agriculture coordination forum, a collaborative structure between the National Treasury, the Department of Agriculture and provincial departments in the agriculture sector. The forum was aimed at driving and ensuring policy coherence and the appropriate allocation of resources across all spheres of government.
- Supported the strategic reprioritisation of funds across programmes to mitigate the impact of the foot-and-mouth disease outbreak and strengthen the country's biosecurity response.

- Sustained ongoing engagement with the department to improve vaccine production capacity, resolve infrastructure challenges, and enhance preparedness for animal health risks, while contributing to Budget Facility for Infrastructure processes and supporting the development of sustainable, long-term financing strategies.

### Department of Forestry, Fisheries and the Environment

- Supported the phased-in implementation of the Climate Change Act by providing guidance on institutional and governance arrangements, including engagement on key structures such as the Presidential Climate Commission.
- Strengthened alignment with South Africa's climate commitments by providing technical inputs on draft sectoral emissions targets and related Cabinet processes supporting the updated Nationally Determined Contribution (NDC).
- Advanced climate financing and fiscal reform by contributing to the design of the Climate Change Response Fund and supporting the second phase of Climate Budget Tagging (CBT), including analyst training and the establishment of governance structures across sectors.
- Promoted sustainable economic development by providing inputs on the Waste Economy Masterplan and facilitating international and cross-sectoral coordination through participation in the Oceans Economy Working Group.
- Strengthened fiscal oversight and governance by reviewing tariff structures (including forestry fees), assessing proposals related to marine resources and harbour permits, and supporting the establishment of the Waste Management Bureau as a public entity.
- Improved budget credibility and expenditure efficiency by providing technical analysis on EPWP section 79 departure requests, facilitating the reclassification of allocations, and enabling internal reprioritisation to support post-disaster recovery efforts in SANBI, iSimangaliso and SANParks.
- Contributed to the regulatory framework by submitting National Treasury's inputs on the World Heritage Convention Amendment Bill.

### Department of Science and Innovation

- Jointly with Budget Office, strengthened coordination of public research and development funding by participating in engagements with the Department of Science, Technology and Innovation on the budget tagging process for the science, technology and innovation sector.

- Enhanced expenditure oversight and policy alignment by drafting and consolidating the programme assessment matrix, including detailed assessments of affordability, budget discipline, and alignment of key subprogrammes such as bio-innovation and international cooperation.
- Secured funding support for strategic infrastructure projects by assisting the department in accessing resources for the Square Kilometre Array and digital land infrastructure through the Budget Facility for Infrastructure process.
- Promoted fiscal sustainability by supporting the identification and implementation of targeted savings measures, including conducting baseline expenditure assessments to inform budget reprioritisation within the science, technology and innovation sector.

### Department of Small Business Development

- Assessed the fiscal implications of the National Entrepreneurship Strategy and Implementation Plan following its publication and provided inputs on the National Local Economic Development Summit hosted by the Department of Small Business Development.
- Facilitated the establishment of a new budget transfer line following the merger of SEDA, SEFA and CBDA into the Small Enterprise Development Finance Agency, ensuring continuity of funding flows and alignment with the revised institutional framework.
- Supported the department in hosting a high-level international MSME event in partnership with the International Trade Centre (ITC), successfully convening global stakeholders from over 190 countries to strengthen international collaboration and promote MSME development.

### Department of Tourism

- Provided technical inputs on Cabinet memoranda for the Tourism Growth Partnership Plan and the Minister's participation in the Africa Tourism and Investment Summit.
- Facilitated the establishment and prioritisation of a new transfer line for the Tourism Transformation Council, ensuring adequate medium-term funding support.
- Strengthened governance and fiscal oversight by reviewing and analysing request from the department for the retention of surplus funds for the South African Tourism.
- Provide ongoing oversight of the Tourism Equity Fund to enhance accountability, track performance against objectives, and support inclusive transformation within the tourism sector.

### Department of Trade, Industry and Competition

- Contributed to strengthening industrial policy and localisation by participating in the Industrial Participation Control Committee (IPCC), adjudicating National Industrial Participation (NIP) proposals, awarding credits, enforcing compliance through penalties, and providing inputs on the draft National Industrial Policy.
- Provided technical input to the World Bank policy review of the Special Economic Zone (SEZ) programme, supporting efforts to reform the model and address structural constraints affecting implementation.
- Advised the Minister against granting an exemption in terms of section 92 of the PFMA to the National Lotteries Commission, a Schedule 3A public entity, from section 53(3) requirements, enabling the retention of surplus funds subject to specified conditions, approved financial years, and regulatory compliance.
- Fiscal and budgetary implications and institutional capacity requirements and whole-of-government coordination on the Cab-memo on the Ratification of the Protocol on Digital Trade, the National Building Regulations and Building Standards Amendment Bill, 2026.
- Advised the Minister of Finance on the designation of the Fetakgomo-Tubatse, and Vaal SEZs; and the request to extend the boundary of the Coega special economic zone to support the pharmaceutical sector.
- Provided high-level briefing notes to the Director-General on key programmes and policy instruments, including Global Business Incentives, the Transformation Fund, and Special Economic Zones (SEZs), to inform strategic decision-making
- Contributed to ongoing development of the pharmaceutical roadmap and policy deliberations aimed at strengthening security of supply in strategic sectors, including vaccine manufacturing, by evaluating fiscal sustainability, developmental impact, and incentive design to ensure efficient, targeted, and well-aligned use of public resources.

### Urban Development and Infrastructure

The urban development and infrastructure unit provides budget, policy and expenditure management and support to national departments and public entities involved in the built environment and infrastructure. During the period under review, these departments included the Department of Cooperative Governance, the Department of Electricity and Energy, the Department of Traditional Affairs, the Department of Communications and Digital Technologies, the Department of Human Settlements, the Department of Mineral Resources, the Department of Transport, and the Department of Water and Sanitation.

Key interventions included the following:

### Communications and Digital Technologies

- Budget oversight support and budget programmes structure support to align to organisational
- Participated in the department's monitoring task team for the South African Post Office to discuss progress and financing options for business rescue.
- Continued to participate in consultations on various legislative reforms undertaken by the department including for SAPO funding matters and SABC funding model,
- Participated in the quarterly monitoring task team for the South African Post Office (SAPO) including Business Rescue Plan discussions, and the South African Broadcasting Corporation (SABC).

### Department of Cooperative Governance

- Engaged with the department on the funding, management and outcomes of the community work programme including possibilities of improved targeting to remain within budget
- Continued to engage with the department on disaster response and financing consideration for many disasters that occurred and provided content support to the G20 working group on disaster risk reduction led by the National Disaster Management Centre.
- Participated in interministerial committee technical forums on disasters, fire services analysis, 2026 local government elections
- Facilitated a review of the previous U&U allocations to consider whether departments were fairly treated.
- Engagement disaster risk reduction and implementation after conclusion of G20 as led by the National Disaster Management Centre, and analysis of regional collaboration mechanisms.

### Electricity and Energy

- Facilitated the budget programme structure review in line with NMOG driven organisational changes and supported establishment of reporting systems.
- Reviewed tariff and levy increase requests and facilitated required concurrences.

### Department of Human Settlements

- Facilitated and participated in engagements with the department on the spending effectiveness of the urban settlements development grant and reallocations towards the metro trading services component of the urban development financing grant.
- Participated in workstreams and coordinated contributions to the 2024 White Paper for Human Settlements and OV proposed reform deliberations.
- Provided analysis, and advice on the department's disaster spending and entity governance as part of the expenditure monitoring and financial management policy.

### Department of Mineral Resources and Energy

- Facilitated the Minister of Finance's response on fees and tariffs for regulators such as the National Nuclear Regulator and the National Energy Regulator of South Africa.
- Participated in consultations and provided comments on various regulatory and legislative reforms undertaken by the department.

### Department of Traditional Affairs

- Continued engagement with the inter-ministerial task team on matters of traditional and Khoisan leaders' workstream 2: Building institutional capacity and ensuring support to traditional leaders and workstream 4: Advancing infrastructure investment and skills development in rural communities, and support for the funding estimates determination for the royal houses' infrastructure development.
- Departmental engagement and comments on the implementation of the draft Traditional and Khoi-San Leadership Handbook
- Working collaboratively with Intergovernmental Relations division, participated in engagements on the institutionalisation of guidelines for the financial statements of traditional councils that were developed by the Office of the Accountant General.

### Department of Transport

- Supported the department in its oversight role, in the disbursement of the public transport grants, and in providing inputs into the public transport operational subsidy policy.
- Provided oversight support through consistent engagements with the department and the Passenger Rail Agency of South Africa to address time-sensitive Gibela obligations that created budgetary pressures.

- Concluded financing arrangements for the Gauteng freeway improvement project and the road maintenance backlog. A memorandum of understanding has been signed by Gauteng and national government.
- Supported the department through the national macro-organisation of government progress, providing the necessary guidance on all transitional requirements.

### Department of Water and Sanitation

- Worked collaboratively with the Asset and Liability Management division, the department and the Development Bank of Southern African to explore PFMA compliant mechanism to support private sector engagement in the OMMP project in line with the S66 request.
- Provided comments on the National Treasury's intervention under section 216 of the Constitution to address defaulting municipalities.
- In collaboration with ALM, provide input into the water pricing strategy and concurrence on levy adjustments request.
- Participated in the process to design and resolve funding strategies for the JET MURP project that supports municipal utility reform programme and installation of bulk meters for the Usuthu-Inkomati Catchment Management Agency.
- Participated in the forums for the preparation of engagement of lenders in terms of loans in preparation of National Water Resources Infrastructure Agency.

## Intergovernmental Relations

The division coordinates fiscal and financial relations between the national, provincial, and local spheres of government. This function has significant impact, with a planned allocation of 50.8 per cent (R944.6 billion) for non-interest expenditure to provinces and municipalities in 2025/26. Most of this planned expenditure is for priority programmes such as education, health care, and the provision of free basic services.

The division coordinates inputs for the split of nationally raised revenue between the three spheres of government, the annual Division of Revenue Bill and Division of Revenue Amendment Bill, and the development of the framework for managing conditional grants. The 2025 Division of Revenue Bill was tabled in May 2025. To help implement the 2025 public-service wage agreement, provinces were allocated an additional R4.8 billion in 2025/26, R5.2 billion in 2026/27 and R5.4 billion in 2027/28. Additionally, R1.2 billion was allocated to the provincial equitable share to support the continuation of the teacher assistant's programme.

A total of R2billion was added to the early childhood development grant to for the continued expansion of early childhood development services. Structural changes were introduced to the Department of Public Works and Infrastructure conditional grants through the merger of the

Expanded Public Works Programme Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces (with the grant retaining the EPWP Integrated Grant for Provinces. R1 billion was added to the Education Infrastructure Grant for the Western Cape Rapid Schools Build Programme through the Budget Facility for Infrastructure while R858 million was added to the national health insurance indirect grant for Siloam District Hospital in Limpopo.

Several reprioritisations were undertaken:

- In the comprehensive agricultural support programme grant, R199 million was reprioritised to the national vote to augment funding for the blended finance scheme administered by the Department of Agriculture.
- R6 million was reprioritised from the national Department of Health to the national health insurance indirect grant: health systems component for the central chronic medicines dispensing and distribution programme. The funding was used to support the gradual transition of Centres for Disease Control and Prevention donor-funded posts into the department
- In the provincial roads maintenance grant, R94 million is reprioritised to the S'hamba Sonke Programme within the Department of Transport.

During the 2025 adjustments process, R4.6 billion was added to the Provincial Equitable Share to support provinces for compensation of employees for the education and health sectors. While R644 million was added to provincial conditional grants to fund the reconstruction and rehabilitation of provincial infrastructure damaged by disasters. With R53 million added to the health facility infrastructure grant for hospitals in the Western Cape through the Budget Facility Infrastructure.

Several changes were made to local government transfers to improve the effectiveness of municipal infrastructure and service delivery grants. This included: reprioritisation from the Public Transport Network Grant to extend support to the taxi industry, which is crucial for effective integrated public transport networks; reprioritisation from the Integrated National Electrification Programme Grant to support the completion of the National Electrification Master Plan; the conversion of R494 million in from the direct component of the Municipal Infrastructure Grant to the indirect component to address wastewater infrastructure challenges in 21 municipalities; and the introduction of the Urban Development Financing Grant through the consolidation of the metro component of the Neighbourhood Development Partnership Grant and a portion of the Programme and Project Preparation Support Grant. The non-metro component of the Neighbourhood Development Partnership Grant and the remaining portion of the Programme and Project Preparation Support Grant were consolidated into a single grant.

# 04 PERFORMANCE INFORMATION BY PROGRAMME

As part of efforts to streamline municipal support arrangements, the municipal systems improvement grant will be discontinued, with its baseline redirected to the Department of Cooperative Governance as an earmarked allocation to strengthen support provided to municipalities by national government. These reforms form part of broader efforts to improve the efficiency, sustainability, and responsiveness of the local government fiscal framework in the context of increasing service delivery and financial pressures facing municipalities.

The Review of the Local Government Fiscal Framework is on-going. In 2025/26, a number of milestones were achieved. The Inception Report was finalised in October 2025 and the Methodology Report in March 2026. Data gathering, in the form of interviews and secondary data analysis commenced in October 2025, with the Expenditure Report, near finalisation by end of March 2026. The expenditure analysis focused specifically on assessing local government funding needs by analysing current municipal expenditure patterns and estimating the level of funding required for municipalities to deliver services efficiently and sustainably. The report examines operations and maintenance (O&M) expenditure, identifies areas of inefficiency such as water and electricity losses, UIFW expenditure, and expenditure on non-local government mandates, while also assessing areas of under-expenditure, particularly infrastructure maintenance.

The division continued to update policies to enhance the role of the private sector in financing municipal infrastructure. To establish an unambiguous, fair, and consistent basis through which municipalities can recover development charges for all land development projects that require statutory approvals through the municipal land use planning system, amendments to the Municipal Fiscal Powers and Functions Act (2007) began in 2023/24, aimed at regulating how development charges are levied. Development charges are a key financing instrument for the provision of strategic infrastructure that have the potential to accelerate economic growth. The amendment bill was assented by the president on 6 June 2024 and published in the Government Gazette on 11 June 2024. It is now referred to as the Municipal Fiscal Powers and Functions Amendment Act (2024). To ensure its effective implementation, the division has developed draft development charges and will consult with various key stakeholders to solicit views and comments. The act's effective date will be proclaimed once the regulations for development charges have been promulgated.

The credit market has not been used optimally to address increasing infrastructure investment backlogs through private and public financiers. The updated municipal borrowing policy framework complements the use of development charges as a means for financing infrastructure. Long-term strategies to implement the updated framework, with some short-term and medium-term interventions, include capacity-building and stakeholder support to enable municipalities to produce pipelines of bankable projects and access financing. The National Treasury has initiated interventions for municipalities access long-term financing by creating guidelines to help them understand alternative financing mechanisms.

The division continued to provide support to metros for selected projects in the areas of climate resilience and sustainable services, economic development, human settlements, public transport, infrastructure planning, and fiscal reforms. The Metro Trading Services Reform (MTSR) is now a strategic government reform, which The Minister of Finance referred to in his MTBPS, and the MTSR was incorporated as an anchor reform in Phase 2 of OV that was launched by President Ramaphosa on 7 May 2025. In this year the MTSR moved from design to implementation - a fifth guidance note was issued related to the MTSR programme, the final detailed Programme Operations Manual was finalised and published, and the programme was formally launched during the CSP national executive leadership event of March 2026. The National Treasury continued its extensive consultations and onboarding sessions with metros and key sector departments during this year, of note is the engagement of the MoF with the 8 mayors, presentations to FOSAD and extended cabinet resulting in support for reform and the convening of the Executive Leadership Programme in March 2026 focused on national support actions for metro implementation of the MTSR.

The first independent verification of metro performance has been completed in September 2025, where it was verified that all metros in the first cohort of the reform (twelve metro trading services in seven metros) has council-adoptions of the eight minimum accountability commitments – this then enabled their incentive allocation through the adjustments budget. Metros were then invited to proceed to develop draft Performance Improvement Action Plans (PIAPs) for these trading services. - these draft PIAPs were discussed and reviewed during the NT mid-year budget review engagements in January/February 2026. Technical assistance for the metros on MTS continued – support was provided on financial modelling for water, sanitation and electricity services and conditional assessments were completed for 38 wastewater treatment works in selected cities (BCMM, Nelson Mandela Bay; City of Tshwane) through the CIDMS project. Overall, this year reflects a step-change for this MTSR programme, from planning to execution, with the reform gaining traction across metros, national departments, and development partners.

Other support of note, for the metros, are Cities' Infrastructure Delivery and Management System (CIDMS) training was implemented for 186 officials from five metros (Cape Town, Ekurhuleni, Johannesburg, Tshwane, and eThekwini) and further CIDMS training for Mangaung, Buffalo City and Nelson Mandela Bay were completed. With the City Creditworthiness Academy (MCLP), the NT trained 13 secondary cities to evaluate financial constraints, improve creditworthiness, and design action plans. This year the Land Value Capture initiative transitioned from policy, research, and capacity building to technical support on implementation of LVC related tools (e.g. inclusionary zoning; derisking and incentives for municipal land release) - National peer-learning platforms and webinars connected 470 practitioners across the metros and selected secondary cities

Cities have demonstrated continued usage of SEADsa data. The City Economic Outlook (CEO) was completed and launched on 31 March 2026 amidst 280+ attendees and broad media coverage. The version 6 of the Spatial Tax Panel (STP) was released, extending the dataset to 11 years of high-resolution spatial economic data. The DG-NT officially launched the MzansiXchange Pilot on the 09th October 2025 - all pilot departments are now onboarded, with active use cases across real-time, bulk, analytical, and open data exchanges (including SASSA, DHA, NT-OAG, NT-OCPO, NT-SDF, NSFAS, and SEAD-SA).

The SNDB program successfully transitioned to City Business Process Optimisation Programs (City BPOP) and this year there was continue support to cities in enhancing customer-interfacing business processes. We supported the completion of end-to-end process mapping across metros for Business Licensing and Property Development and established baselines for Starting a Business [Informal & Formal Business License] (6 metros) and Getting a Location (7 metros).

Work on Disaster Risk Financing support continued, with the production of a Municipal Insurance Guidelines – this will be finalised in a consultative working session with metros planned for April 2026.

The NT continues it support to the OV2 reforms areas on Titling Restoration Support and the Inner-city low-cost housing reform programme – a Low-cost housing rental funding model was developed and is under consideration. NT continues to provide technical support to the Inner-City Regeneration work in the CoJ and eThekwini inner cities

Within IGR, the Neighbourhood Development Partnership Programme continues to support municipalities in responding to socio-economic redevelopment challenges in South Africa's cities and rural towns. Several significant changes were effected to grants managed by the NDPP over the past year. The Neighbourhood Development Partnership Grant (NDPG) was transformed to focus on rural towns and intermediate cities, while a new grant, the Urban Development Financing Grant (UDFG), was created.

The UDFG consolidated several grants, including the Neighbourhood Development Partnership Capital Grant (NDP-CG), the Public Employment Programme (PEP), the Project and Programme Preparation Support Grant (PPPSG), the Budget Facility for Infrastructure Component (BFI), and also introduced the new Metro Trading Services (MTS) component.

The NDPG now comprises of two grant components, namely the Neighbourhood Development Partnership Capital Component (NDP-CG) and the Project and Programme Preparation Support Component (PPPS).

The grants were consolidated and restructured to ensure more effective grant management, with a specific focus on infrastructure development and sustainable city and rural improvements. The technical assistance funding stream, which focused on investment planning and project preparation under the NDPG/UDFG, was discontinued at the end of 2025/26. The NDPP unit supported 47 municipalities across the two grants, including 8 metros, 25 intermediate cities and

14 rural municipalities during 2025/26. A directive was also issued that the NDPG will be phased out over the MTEF, while the UDFG will continue to support metros.

The unit approved 28 total number of catalytic projects components. 2 Metros contributed with 14 project components number of metros under the NDP-CG component for metros. Under the PPPS component, a total of 8 metro work plans were approved following assessments, with 66 projects approved in total. These included 9 water-related projects, 12 energy projects, 2 housing projects, 19 precinct and economic development projects, 13 roads and stormwater projects, 6 waste projects and 5 institutional and project management-related projects. Engagements were held with all 8 metros during mid-year assessment sessions to assess progress on the projects. A debriefing session was also conducted to ensure that appropriate support could be provided to metros to address the challenges identified during the review engagements.

The division also oversaw the management of funds for the Public Employment Programme (PEP). Eight (8) PEP business plans, with detailed implementation plans, were evaluated and funding was approved for 60 projects. These projects included 3 informal settlement projects, 12 public space and asset management projects, 13 cleaning and greening projects, 3 food safety projects, 18 innovative service delivery projects, 4 local knowledge management projects, 4 community safety projects, 2 environmental services and management projects, and 1 community tourism project. This resulted in the creation of an estimated 13 681 jobs in 2025/26, noting that the municipal financial year ends in June and that these figures are therefore not yet final. Eight mid-year assessment sessions were held with metros, during which progress was presented, and project challenges and support requirements were highlighted. The PEP will be discontinued in the 2025/26 municipal financial year. An internal debriefing session was therefore held to confirm the phasing-out process and to consider how municipalities can be guided to incorporate the lessons learned from the PEP into their own institutional and operational processes. This will help support the sustainability of some, or all, of the components introduced through the grant.

As noted above, technical assistance funding is being phased out in 2025/26. However, an investment plan for the Jacobs Industrial Area in eThekwini was still funded, together with 3 project preparation outputs for eThekwini and the City of Cape Town.

Under the MTS component of the UDFG, the first independent verification of metro performance has been completed in September 2025, where it was verified that all metros in the first cohort of the reform (twelve metro trading services in seven metros) have council-adoptions of the eight minimum accountability commitments – this then enabled their incentive allocation through the adjustments budget. Metros were then invited to proceed to develop draft Performance Improvement Action Plans (PIAPs) for these trading services. - these draft PIAPs were discussed and reviewed during the NT mid-year budget review engagements in January/February 2026.

In terms of the NDPG, the unit approved 14 catalytic projects in 4 ICMs and rural towns under the NDP-CG component for ICMs and rural municipalities. The phasing out of new project approvals for ICMs and rural towns required the NDPG to slow down the number of approvals during the latter part of the year. The technical assistance funding for the NDPG is also being phased out in 2025/26 for ICMs and rural towns. However, 3 investment plans were finalised for KSD and Drakenstein Municipalities, while 1 project preparation pre-feasibility study was completed for Msunduzi Municipality.

Under the PPPS component of the NDPG, a total of 10 ICM work plans were approved following assessments, with 33 projects approved in total. These included 11 water-related projects, 2 energy projects, 7 precinct and economic development projects, 5 roads and stormwater projects, 4 waste projects, 3 environmental projects, and 1 institutional and project management-related project. Engagements were held with 10 ICMs during mid-year assessment sessions to assess progress on the projects. A debriefing session was also conducted to ensure that appropriate support could be provided to ICMs to address the challenges identified during the review engagements.

In terms of other unit progress, the NDPP implemented a new online support system for monthly reporting. A new web-based system is now available for all reporting requirements. The NDPP also undertook a comprehensive update of its website to reflect the current status of the unit.

The NDPP unit will in future be allocated to a new agency established within National Treasury, namely the Infrastructure Finance and Implementation Support Agency (IFISA). The IFISA Programme Office has been established to improve infrastructure delivery by bringing together key infrastructure support functions within National Treasury. It will assist with preparing and structuring a stronger pipeline of bankable infrastructure projects, support implementation, improve quality assurance, and crowd in private sector funding so that projects can move more efficiently towards financial close, and delivery. The NDPP will support certain functions within National Treasury and specifically the phasing out of the NDPG over the next three years, while also being responsible for the running of the UDFG and undertaking tasks within IFISA.

During the 2025/26 financial year, an adjusted amount of R171.7 billion was allocated through the Division of Revenue Act, as amended (Act No. 12 of 2025) (DoRAA) in transfers to local government. The adjusted allocation includes unconditional transfers in the form of the Equitable Share and related general fuel levy (R106.1 billion), direct conditional grants allocated for capacity grants (R1.9 billion), direct conditional grants for infrastructure projects (R46.5 billion, and the Urban Settlements Development Grant (USDG) of R9.2 billion) and indirect conditional grants (R7.9 billion). These allocations are transferred to municipalities by various national transferring officers as direct transfers while the indirect conditional grants are not transferred by these departments, but implementation is done on behalf of municipalities by various implementing agents.

During the financial year, 2025/26, the National Treasury published three national adjusted gazettes against the Division of Revenue Act allocations, namely: Government Gazette No. 53651 dated 10 November 2025, the Government Gazette No. 54100 dated 06 February 2026 and Government Gazette No. 55305 dated 11 March 2026. The adjustment gazettes were done in terms of sections 15, 17, 18 and 25 of 2025 DoRA for considering amongst others, the rollovers, virements, shifts of allocations between schedules and the gazetting of all the declared disasters occurred. For the 2025/26 financial year, a total of R395.1 million was allocated to the Municipal Disaster Response Grant (MDRG 7B) as an unallocated amount. After approving R161.2 million and R38 million respectively for municipalities to address the impact of a disaster, there was R195.9 million remaining unallocated to respond to immediate post-disaster needs for the rest of the 2025/26 financial year. Further, during the 2025/26 financial year, the Municipal Disaster Recovery Grant (MDRG 5B) was allocated an additional R496 million and R955 million respectively, making the total allocation to be R2.2 billion to support the reconstruction and rehabilitation of municipal infrastructure damaged by the floods and storm surges that affected the Eastern Cape, KwaZulu Natal, Limpopo, Mpumalanga and North West provinces between March and June 2025.

During 2025/26, further adjustments were made in line with sections 18 and 19 of the Division of Revenue Act, as amended, by implementing the stopping of allocations against slow-spending municipalities and reallocating most of the stopped funds to the better-performing municipalities. The Department of Cooperative Governance (DCoG) approached the National Treasury regarding municipalities in the Free State province that have been struggling to fully spend the Municipal Infrastructure Grant (MIG) allocated to them due to various challenges. The affected municipalities (Mohokare, Kopanong, Masilonyana and Mafube) would have their funds reallocated to their respective district municipalities for implementation of the projects on behalf of the underperforming local municipalities. This was effected in the first adjustments gazette, namely Government gazette No. 53651 of 10 November 2025. Further, the third adjustments gazette legalized the allocation of an additional R2.1 billion to the Urban Development Financing Grant (UDFG) to strengthen the metro trading services component. This funding had already been provisionally set aside when the main budget was tabled in May 2025. The gazette also provided for the stopping and reallocation of funds in terms of sections 18 and 19 of DoRA. In this regard, the DCoG requested the National Treasury to intervene in relation to Impendle Local Municipality in KwaZulu-Natal, which had been unable to fully spend its MIG and MDRG 5B allocations. Consequently, these funds were reallocated to uMgungundlovu District Municipality. In addition, under the Smart Meters Grant (SMG) a total allocation of R650 million was made available to 11 municipalities for the 2025/26 financial year. Although the grant was originally intended to support 14 municipalities, readiness assessments and evaluations of submitted applications revealed that only 11 municipalities had complete and implementation-ready business plans. As a result, the reallocations were directed towards municipalities that demonstrated implementation readiness.

Additionally, in what was intended to be the final adjustments gazette for the financial year, the National Treasury in terms of Section 18 of the DoRA wrote to 175 municipalities across all nine provinces with an intention to stop a portion of their conditional grant funds due to significant underperformance and non-compliance against conditional grant frameworks and the provisions of the Act. In the letters to individual municipalities proposing the stopping of a portion of their allocations, municipalities were requested to make within seven days of receipt of letters written representations. In addition, the National Treasury consulted all the departments that are responsible for administering conditional grants prior to the decision to stop and reallocate the conditional grants in terms of Sections 18 and 19 of the 2025 DoRA. In light of the responses received from the municipalities and recommendations from the transferring officers, the final amount that was recommended to be stopped amounted to R2.1 billion across all conditional grants in the local government space. In turn, the stopped funds were recommended to be re-allocated to municipalities that have accelerated spending against their 2025/26 conditional grants allocations. The initially proposed stopping amounted to R5.4 billion and after representations from municipalities on why funds should not be stopped, the final amount to be stopped at R2.1 billion. Only 90 municipalities from a possible 175 municipalities were recommended to have a portion of one or more of their conditional grants' allocations stopped. The annual submission was however unfortunately not approved and as a result, the 2025/26 adjustments were not gazetted. This led to overpayments and underpayments of conditional grants to municipalities as the payment schedules had already been aligned to the proposed adjustments and draft gazette in anticipation of the Minister's approval, given that the 2025/26 national financial year was nearing completion. Subsequently, the National Treasury issued letters to municipalities and National Transferring Officers informing them of the non-approval of the 2025/26 adjustments to allocations. In addition, municipalities and NTOs were informed that the recovery of overpayments would be undertaken in accordance with section 24 of the Division of Revenue Act (DoRA), which provides that: "Despite any other legislation to the contrary, the transfer of an allocation that is an overpayment to a province, municipality or public entity, made in error or fraudulently, is regarded as not legally due to that province, municipality or public entity, as the case may be. The responsible transferring officer must, without delay, recover an overpayment."

With regards to the 2024/25 roll over request from municipalities, the DoRA provides that if conditional grants are unspent at the end of a financial year, municipalities have to request permission to roll them over to the following financial year. Failure to secure approval from the National Treasury results in these funds having to be repaid into the National Revenue Fund. A total of 133 municipalities requested rollovers for unspent conditional grants in 2024/25, amounting to R2.5 billion. The National Treasury approved a total rollover amount of R1.5 million, 61.5 per cent of the amount requested. During the finalisation of the rollover and unspent conditional grant process, R1.7 billion was returned or repaid to the National Revenue Fund by offsetting it against the 2025 local government equitable share. This amount includes repayment

arrangements for unspent conditional grants from the previous financial year against municipalities that could not repay their unspent funds.

For 17 consecutive years, the division has successfully institutionalised two formal annual engagements with municipalities: the municipal budget and benchmark, and the mid-year budget and performance assessment with the 17 non-delegated municipalities. The generic framework for the assessment and analysis of municipal budgets was updated during the period under review in line with municipal budget and reporting regulations. Guidance was provided to municipalities on preparing their 2025/26 medium-term revenue and expenditure framework budgets through MFMA circulars (numbers 129, 6 December 2024, and 130, 19 March 2025). Budget and benchmark meetings were held with all 17 non-delegated municipalities to assess the funding positions of their 2025/26 budgets. The division also assessed the adopted budgets for 2025/26 and determined that all 17 non-delegated municipalities were funded.

The routine publication of budget and in-year financial performance information for local government enables better oversight and serves as an early warning mechanism for the need to improve municipal performance. Several routine publications were published during the reporting period, including the state of local government finances and financial management report. The unit has formally published a revised Strategy to Address Municipal Performance Failures in August 2025. This strategy outlines measures to strengthen municipal capacity, improve accountability, and ensure sustainable service delivery, with National Treasury and provincial treasuries playing a central role

The debt relief programme continues to foster sustainable financial management through revenue management which served as an essential pillar for better service delivery in municipalities. During the review period, the division considered the key contributions towards revenue management and the recovery of best financial management practice in the local sphere. A better understanding of debt relief was fostered through various consultations, particularly on the complexities and systemic challenges in local government. Additionally, the division supported the Department of Water and Sanitation to monitor a debt relief programme for water defaulters.

Municipal debt relief information sessions continue to be facilitated in all provinces to guide and support municipalities to adhere to the conditions outlined in MFMA circular No. 124 and MFMA Circular No.132. These included key stakeholders such as municipalities, the Department of Cooperative Governance, the South African Local Government Association, Department of Electricity and Energy, banks and the media, as well as sections of Eskom to address complexities regarding challenges in the municipal space and warranted write-offs. This was done to raise awareness of the relief and communicate that recovery lies in a return to basic financial management best practice. A focus during the period under review was continued support to provincial treasuries and the enhanced implementation of debt relief monitoring. Continued analysis to better understand complexities was undertaken, which provided a fuller perspective of the financial dysfunctionality and systemic challenges than previous desktop analysis. Defaulters that consecutively failed to maintain their Eskom accounts are subject to ongoing stakeholder hearings to strengthen an integrated approach to supporting and enforcing a return to best practice and basic financial management. During this period, the intent to terminate was issued to 13 municipalities that consistently failed to pay Eskom the current account that was due. The issuing of MFMA Circular No. 132 provided the alternative to municipalities who were still struggling under the municipal debt relief. The alternative requires municipalities to undertake a Section 78 of the MSA exercise which them culminates into signing a distribution agency agreement.

The Smart Meter Grant is a vital revenue-control intervention designed to modernize consumption measurement, eliminate estimated billing, and strengthen fiscal management in financially exposed municipalities. Framed across a Medium-Term Expenditure Framework (MTEF) rollout, the programme has progressed from its Phase 1 inception in 2024/25—which deployed 66 599 meters across 7 municipalities—into a Phase 2 expansion in 2025/26 that reached 11 municipalities with 79 607 installations. This phase drives local economic development by yielding local installation jobs and fostering operational continuity across critical mining, agricultural, logistics, and commercial nodes.

Beyond physical infrastructure delivery, the grant functions as a targeted financial stabilization mechanism directly tied to the Eskom Debt Relief Programme. By generating R361.014 million in additional municipal revenue up to 31 March 2026, the Phase 1 deployment achieved an approximate 66 per cent return on investment against its initial allocation, proving the grant's capacity to convert consumption into tangible cash flow. This enhanced revenue collection is critical for structural compliance within the broader debt relief schedule—which monitors 71 municipalities carrying R55.643 billion in ring-fenced Eskom debt. By institutionalizing rigorous data reconciliation and enhancing billing accuracy, the Smart Meter Grant protects the municipal revenue base, directly empowering beneficiary local governments to bridge cash-flow deficits, settle Eskom current accounts timeously, and mitigate post-approval debt growth.

Various revenue-enhancement tools were developed during the reporting period. These were aimed at building the capacity of all municipalities participating in the debt relief programme to enable them to use the strengthened tariff and rates reconciliation tools to increase revenue. An assessment tool to support the integrated approach to revenue management was also issued for use by municipalities and provincial treasuries. Debt relief compliance tools were developed to facilitate improved council and stakeholder awareness of collection and indigent management. These were designed to be integrated into municipalities' monthly reporting on section 71 of the MFMA. The GoMuni portal was extended to facilitate improved municipal reporting on revenue management-related information. This is key to funding the revenue component of municipal budgets.

Through the support of the municipal finance improvement programme, budget and revenue technical advisers and municipal support technical advisers, the division continued to address shortfalls in the municipal revenue value chain. This was done by focusing on the setting of cost-reflective tariffs and the completeness of revenue by reconciling information contained in the general valuation roll with information on the billing system. This reconciliation helped municipalities develop standard operating procedures and legal budget policies proofed against municipal customers who try to find leniency loopholes. In addition to these focus areas, technical advisers supported municipalities with management letters and auditor-general reports.

As part of fostering sustainable financial management, revenue management served as an essential pillar for better service delivery in municipalities. During the review period, the division considered the following as its key contributions towards revenue enhancement and the integration/restoration of best practice financial management in the local sphere. A better understanding of debt relief was fostered through various consultations, particularly on the complexities and systemic challenges in local government. This took place across all National Treasury divisions and Eskom, culminating in the Minister of Finance issuing the debt relief conditions for Eskom in the municipal space. Additionally, the division supported the Department of Water and Sanitation to develop a debt relief programme for water defaulters.

Municipal debt relief information sessions were facilitated in all provinces to guide and support municipalities to adhere to the conditions outlined in MFMA circular 124. These included key stakeholders such as municipalities, the Department of Cooperative Governance, the South African Local Government Association, banks, and the media, as well as sections of Eskom to address complexities around write-offs. This was done to raise awareness of the relief and communicate that recovery lies in a return to basic financial management best practice. A focus during the period under review was continued support to provincial treasuries and the implementation of debt relief monitoring. The implementation process entailed 14 detailed investigations into the municipalities that defaulted the most on payments to Eskom, which provided a fuller perspective of the financial dysfunctionality and systemic challenges than previous desktop analysis. Defaulters that consecutively failed to maintain their Eskom accounts

are subject to ongoing stakeholder hearings to strengthen an integrated approach to supporting and enforcing a return to best practice and basic financial management.

The development of the water debt relief concept document, as well as the design of the smart meter grant framework, provided research and support to the Department of Water and Sanitation. The framework was preceded by issuing the National Treasury RT29 transversal tender for smart metering. Without this issuance, it would not have been possible for work on the smart meter grant framework to commence from 1 April 2024. Seven municipalities benefitted from the rollout of the smart meter grant over the review period. Expenditure on the grant was 99.9 per cent, and more than 1 000 local installers were trained and certified. The division's work in this regard directly underpinned the Eskom and water debt relief frameworks and the Eskom debt relief approval processes and is seen as an ongoing learning process to improve the division's wider revenue management initiatives and support.

The LGDRS allows for a single data collection point for all 257 municipalities. This reduces the cost and effort to collect data and eliminates the duplication of efforts for municipalities to submit the same information continuously to several departments. During 2025/26, data was shared with provincial treasuries (which enabled analysis of budgets and financial performance), SARS (which enabled additional municipal audit than initially planned), the Reserve Bank, STATSSA, SALGA (which enabled them to report on climate change). The introduction of the Section 71 dashboards continued to advance the objectives of transparency, and accountability within the local government sphere.

In addition, the Municipal Money portal on the LGDRS provided information about municipal spending to the public, thereby promoting transparency and enabling citizens to hold their municipalities accountable. Municipal Money is also part of the country's Open Government Partnership (OGP) 5th National Action Plan to improve transparency and public participation in government processes. Towards this end, a webinar aimed at community-based and non-governmental organisations was held on 15 April 2025. The webinar, From Your Pocket To Public Services - Tracking Municipal Budgets, was jointly hosted by National Treasury, Government Technical Advisory Centre (GTAC) and Public Affairs Research Institute (PARI) to promote active citizen engagement in municipal budgeting and performance oversight.

While challenges remain in ensuring full compliance with the municipal standard chart of accounts (mSCOA) Regulation across all municipalities, notable progress had been made. Version 7.1 of the mSCOA was issued in December 2025. Extensive mSCOA support was provided to municipalities (to improve implementation) and provincial treasuries (to improve oversight). Municipalities are required to submit a roadmap to the National Treasury and respective provincial treasuries indicating how they plan to become compliant if the minimum level of mSCOA implementation has not yet been achieved. mSCOA compliance has now been incorporated as a module in the Financial Management Capability Maturity Model (FMCMM) and from 01 July 2026 municipalities will be required to assess their level of compliance via the FMCMM to ensure that gaps are addressed in their roadmaps. Other support initiatives included

verifying the credibility of the mSCOA data strings submitted to the local government database and reporting system and providing training and handholding. The e-learning mSCOA course hosted by the National School of Governance was reviewed and improved, and monthly master classes on relevant technical topics were hosted by the Chartered Institute of Government Finance Audit and Risk Officers. The review and consultation processes to update the minimum business processes and technical system requirements for mSCOA continued in 2025/26. Monthly project steering committee meetings, 73 technical working group sessions, 12 integrated consultative forums, 10 special task team meetings and 7 training sessions took place in this regard.

With the support of the Office of the Accountant-General, the National Treasury also issued an updated version of the mSCOA aligned specimen financial statements for 2024/25 to help municipalities prepare their annual financial statements. This was done to facilitate the seamless alignment of municipal budgets and annual financial statement data strings. This was the fourth issue of specimen annual financial statements, which now includes the parent and consolidated specimen, as well as a specimen AFS for water and sanitation and energy sources. These specimen AFS has been updated in line with the latest amended Generally Recognised Accounting Practise (GRAP) standards, mSCOA chart Version 6.9.

A revised approach to the development of financial recovery plans was implemented during the period under review to enable better monitoring and easier implementation of the plans at the municipal level. A panel of service providers has been appointed for a three-year period to help the municipal financial recovery services unit in the preparation of financial recovery plans. Workshops were held with all provinces to deepen their understanding of the MFMA section 139 intervention framework and the preconditions that must exist for the different types of interventions to be invoked. Support was provided by technical experts through the municipal financial improvement programme. There are nine experts who provide guidance on matters related to governance, institutional, finance and service delivery matters. Through the programme, the National Treasury supported six provincial treasuries and 55 targeted municipalities with the implementation of the mSCOA reform. Several training initiatives were pursued to increase the technical and oversight capacity of treasuries across all spheres of government on the mSCOA reform, and version 6.8 of the mSCOA was issued.

During the 2025/26 financial year, the Municipal Financial Recovery Services (MFRS) unit prepared Mandatory Financial Recovery Plans (FRPs) for the Ditsobotla, Matlosana, Matjhabeng and Thabazimbi Local Municipalities. All FRPs were developed and finalized within the legislated timeframes as prescribed in the Municipal Finance Management Act.

Four municipalities were under national intervention in terms of section 139(7) of the Constitution during the reporting period, namely, Mangaung Metropolitan Municipality, Lekwa Local Municipality, Enoch Mgijima Local Municipality and Ditsobotla Local Municipality. The national intervention in Ditsobotla Local Municipality was invoked during 2025/26 financial year. The implementation of Financial Recovery Plans in these municipalities is being monitored through quarterly war room meetings which aim to strengthen oversight, provide guidance, and address challenges affecting the recovery process. In addition, four quarterly section 147 progress reports were prepared and submitted to the Minister of Finance for reporting to Cabinet.

An assessment was also conducted in respect of the Mahikeng Local Municipality to evaluate the municipality's financial and governance position and determine the need for a Mandatory Financial Recovery Plan and possible intervention measures.

Furthermore, a joint circular on Section 139 interventions was developed by the National Treasury and the Department of Cooperative Governance and Traditional Affairs to ensure the consistent application of the intervention framework as outlined in the Constitution and relevant national legislative frameworks across all spheres of government.

The division continued to play a central role in monitoring the implementation of provincial budgets in line with section 6 of the PFMA, ensuring that provincial spending remained aligned with approved budgets. As part of this responsibility, the division successfully compiled and published four quarterly section 32 provincial revenue and expenditure reports, providing timely analysis of provincial receipts and payments by province and department, as well as expenditure trends on conditional grants. These reports continued to support fiscal oversight, accountability, and informed decision-making across government.

The division also coordinated annual provincial budget and facility visits to assess budget implementation, service delivery challenges, and mitigation measures. Visits to 36 special needs education centres across all nine provinces, serving 11 709 learners, highlighted the important role of special schools in inclusive education. Key challenges included infrastructure backlogs, staffing shortages, inadequate funding, learner transport constraints, and limited specialised health support. Provinces reported interventions including infrastructure upgrades, learner transport support, staff recruitment and training, and partnerships with donors, NGOs, and health departments. However, the visits highlighted the need for sustained investment, stronger coordination, and long-term planning to improve support for learners with special educational needs.

The provincial conditional grant rollover process for 2025/26 is currently under way. In the previous financial year (2024/25) an amount of R2.2 billion was approved to be rolled over into the 2025/26 financial year, while only R424 million was surrendered to the National Revenue Fund (NRF). The provincial rollover process is managed in terms of the annual Division of Revenue Act which requires that conditional allocations that remain unspent at the end of the financial year to revert back to the NRF, unless the accounting officer can prove that such funds

are committed to identifiable projects. Furthermore, R150 million under the Human Settlements Development Grant was stopped from Gauteng and reallocated to the Eastern Cape (R60 million), Free State (R60 million) and Limpopo (R30 million). The process was finalised and gazetted in line with sections 18 and 19 of the 2025 Division of Revenue Act.

The division conducted six Division of Revenue Bill workshops with sectors receiving conditional grants, including education, health, social development, transport, agriculture, and sport, arts, and culture. These workshops brought together relevant national and provincial departments, as well as provincial treasuries, to strengthen understanding of grant conditions and compliance requirements. Discussions focused on key clauses and amendments to the Bill aimed at enhancing compliance, improving the efficiency of spending, and strengthening service delivery.

Furthermore, the division successfully conducted provincial budget Benchmark meetings with provincial treasuries in January 2026. The engagements assessed the allocative efficiency of provincial budgets and their alignment to national policy priorities, based on the second draft submissions for the 2026/27 financial year. The exercise provided structured feedback on spending priorities, budget trade-offs and areas requiring adjustment. The recommendations are shared with provincial treasuries ahead of budget finalisation to support better prioritisation, strengthen alignment with national priorities and ensure that government priorities are adequately funded.

As part of efforts to strengthen government capacity and improve the quality of provincial budget documentation, the division provided training on budget formulation and budget analysis. During 2025/26, a total of 306 officials from nine provinces, and 23 from National Treasury participated in the training, contributing to improved budgeting and analytical skills across provincial governments. The training strengthened officials' capacity to prepare credible and policy-aligned budgets, improve expenditure analysis and support more accurate and transparent budget planning and reporting processes.

To further support provincial revenue collection efforts, the division also coordinated quarterly revenue workshops in partnership with provincial treasuries. These engagements created a platform for provinces to share experiences, discuss common challenges and exchange best practices on revenue management and collection initiatives. Based on preliminary 2025/26 figures, provinces collected R27.6 billion against a target of R26.7 billion, exceeding the target by R927 million.

The division led the first-ever Public Expenditure and Financial Accountability (PEFA) self-assessment for KwaZulu-Natal Province, undertaken internally by National Treasury officials. The report was quality assured and subsequently published by the PEFA Secretariat. The final report is available here: https://www.pefa.org/node/5287

The division supported the implementation of the infrastructure delivery management system to improve the delivery of infrastructure across provinces and in local government. Implementation is supported by two major initiatives. The first is the development of the local government infrastructure delivery management system toolkit, which seeks to customise the system for implementation by local and district municipalities and continue to support municipalities with the implementation of the local government framework for infrastructure delivery and procurement management. This work was made possible through the partnership between government, represented by the National Treasury, and the government of Switzerland through the Swiss State Secretariat for Economic Affairs. Although there was little implementation in the latter part of the financial year as the related support programme was paused, planning for the next phase of the programme has begun and the secretariat is still prepared to fund the programme. The second initiative is the introduction of a performance-based system for provincial departments of education and health to institutionalise infrastructure delivery management system principles related to planning and delivery.

Infrastructure plans for all provincial education and health departments were assessed in collaboration with the national departments of basic education and health. The division facilitated a best practice workshop during the period under review to strengthen various sections of planning documents and had consultations with provinces that did not qualify for performance incentive allocations to address specific areas for improvement. These interventions are expected to yield positive results during the next assessment period. The provincial and national departments are required to implement the infrastructure delivery management system through the instruction of the framework for infrastructure delivery and procurement management. The implementation of the infrastructure delivery management system within these departments should result in better planning, implementation, monitoring, and oversight of infrastructure delivery.

The infrastructure reporting model was rolled out to national departments during the period under review. The model seeks to institutionalise infrastructure reporting by government at the project level. This reform is expected to contribute towards improved infrastructure data in a central repository and lead to greater transparency across government institutions. A local government infrastructure reporting model is being adapted and will be tested for implementation in 2026/27.

# ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 UNTIL DATE OF RE-TABLING | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS | REASONS FOR REVISIONS TO OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS |
| 3.1.6 | Increased public infrastructure investment | Infrastructure plans assessment reports | Percentage of infrastructure plans assessment reports reviewed | 100% | 100% | 100% | 100% | N/A | N/A | This is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator. |
| 3.1.7 | | Approved catalytic projects | Number of catalytic projects prioritised for implementation | # | 26 | 30 | 16 | -14 | Under-performance is attributed to restructuring of the infrastructure related functions within the department. | This is attributable to the restructuring of the infrastructure related functions within the department. |

# RE-TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 3.1.1 | Sustainable public finances | Primary budget surplus | Primary budget surplus maintained | # | # | Primary budget surplus maintained | Primary budget surplus maintained | N/A | N/A |
| 3.1.2 | | Published National Disaster Risk Financing Strategy | Capability for financing disaster risk reviewed | # | # | National Disaster Risk Financing Strategy published | National Disaster Risk Financing Strategy published | N/A | N/A |
| | | Amended grant frameworks | | | | Grant frameworks amended to integrate disaster risk management | Grant frameworks amended to integrate disaster risk management | | |
| 3.1.3 | | Revised Public Private Partnership Regulations | Public Private Partnership Regulations amended | # | # | Revised Public Private Partnership Regulations gazetted | Public Private Partnership Regulations not gazetted | Public Private Partnership Regulations not gazetted | Under-performance is attributed to:<br>– Delays in the procurement of a local consultant to assist with the assessment of submissions.<br>– Expanding the scope to incorporate the Public Procurement Act. |

| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 3.1.4 | | Poverty and education components of the provincial equitable share formula updated | Intergovernmental fiscal framework reviewed | # | # | Poverty and education components of the provincial equitable share formula updated | Poverty and education components of the provincial equitable share formula updated | N/A | N/A |
| | | Phase 1 of the review of the local government fiscal framework completed | | | | Phase 1 of the review of the local government fiscal framework completed | Phase 1 of the review of the local government fiscal framework completed | | |
| 3.1.5 | | Progress reports on the economic development strategies produced | Number of progress reports on the implementation of the township economic development strategies produced | 1 | 1 | 1 | 1 | N/A | N/A |
| 3.1.6 | Increased public infrastructure investment | Infrastructure plans review reports | Percentage of infrastructure plans reviewed | # | # | 100% | 100% | N/A | N/A |
| 3.1.7 | Sustainable public finances | Financial affordability assessment | Financial affordability of the social security system assessed | # | # | Research on Financial affordability of the social security system conducted | Research on Financial affordability of the social security system conducted | N/A | N/A |
| 3.1.8 | | Financial recovery plans | Percentage of requests to prepare | # | # | 100% | 100% | N/A | N/A |

| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **APP #** | **OUTCOME** | **OUTPUT** | **OUTPUT INDICATOR** | **AUDITED ACTUAL PERFORMANCE 2023/2024** | **AUDITED ACTUAL PERFORMANCE 2024/2025** | **PLANNED ANNUAL TARGET 2025/2026** | **ACTUAL ACHIEVEMENT 2025/2026** | **DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT** | **REASONS FOR DEVIATIONS** |
| | | | mandatory financial recovery plans responded to within 90 days from date of submission of the status quo assessment | | | | | | |
| 3.1.9 | | Functional budget group reports | Number of functional budget group reports produced | # | 7 | 7 | 7 | N/A | N/A |
| 3.1.10 | | SCOA reports | Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations | 4 | 4 | 4 | 4 | N/A | N/A |

## STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

| UNDERPERFORMING INDICATORS AND ACTION PLANS | | | | | |
|---|---|---|---|---|---|
| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | | | | | |
| APP# | OUTCOME | OUTPUT | OUTPUT INDICATOR | REASON FOR DEVIATION | ACTION PLAN |
| 3.1.3 | Sustainable public finances | Revised Public Private Partnership Regulations | Public Private Partnership Regulations amended | Under-performance is attributed to:<br>-Delays in the procurement of a local consultant to assist with the assessment of submissions.<br>-Expanding the scope to incorporate the Public Procurement Act. | It is envisaged that the Public Private Partnership Regulations will be gazetted in the third quarter of 2026/27. |

## CHANGES TO PLANNED TARGETS

| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 UNTIL DATE OF RE-TABLING | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS | REASONS FOR REVISIONS TO OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS |
| 3.1.6 | Increased public infrastructure investment | Infrastructure plans assessment reports | Percentage of infrastructure plans assessment reports reviewed | 100% | 100% | 100% | 100% | N/A | N/A | This is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator. |
| 3.1.7 | | Approved catalytic projects | Number of catalytic projects prioritised for implementation | # | 26 | 30 | 16 | -14 | Under-performance is attributed to restructuring of the infrastructure related functions within the department. | This is attributable to the restructuring of the infrastructure related functions within the department. |

## LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDEREXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Management for Public Finance and Budget Management | 18 200 | 17 855 | 345 | 23 551 | 21 828 | 1 723 |
| Public Finance | 79 844 | 79 503 | 341 | 86 868 | 84 978 | 1 890 |
| Budget Office and Coordination | 74 773 | 74 285 | 488 | 154 795 | 153 550 | 1 245 |
| Intergovernmental Relations | 185 026 | 184 292 | 734 | 234 586 | 231 676 | 2 910 |
| Financial and Fiscal Commission | 60 266 | 60 266 | - | 62 966 | 62 966 | - |
| Facilitation of Conditional Grants | 2 423 980 | 2 423 980 | - | 4 395 932 | 4 395 931 | 1 |
| Catalytic Infrastructure and Development Support Programme | 809 284 | 628 667 | 180 617 | 987 652 | 995,422 | (7,770) |
| Government Technical Advisory Centre | 417 789 | 120 697 | 297 092 | 439 847 | 439 846 | 1 |
| **Total** | **4 069 162** | **3 589 545** | **479 617** | **6 386 197** | **6 386 197** | **-** |

# 4.4 PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

**Purpose**: To prudently manage government's financial assets and liabilities.

## Institutional outcomes

- Sound financial controls and management of public finances

## Subprogrammes

### Programme Management for Asset and Liability Management

This subprogramme provides the overall management and regulatory support related to this subprogramme, including support for planning, delivery implementation, monitoring and associated activities that include the management of government debt, financial assets and investments.

### State-owned Companies (SOCs) Financial Management and Governance

This subprogramme is responsible for overseeing SOCs to enable them to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance of these enterprises.

### Government Debt Management

This subprogramme is responsible for government's long-term funding needs. It manages the funding of domestic and foreign debt, contributes to the development of domestic financial markets, maintains sound investor relations and ensures that debt servicing costs remain sustainable.

### Financial Operations

This subprogramme provides for government's short-term funding needs, invests government's surplus cash, prudently manages cash of government, and ensures efficient accounting for debt, the supply of reliable systems and the provision of high-quality information.

### Strategy and Risk Management

This subprogramme develops and maintains a risk management framework for the debt and contingent liabilities of government and monitors the implementation of strategies to ensure that risks remain within tolerance thresholds and that the risk of an adverse sovereign credit rating is mitigated.

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### Recent outputs

All corporate plans and annual performance plans of schedule 2 and 3B public entities submitted within the PFMA-stipulated deadlines were reviewed during the year. Ongoing assessments were conducted of these SOCs' alignment with government priorities, strategies and financial performance, as well as soundness of corporate governance. Most SOCs submitted their corporate plans and annual reports on or before the deadline mandated by the PFMA, with some experiencing delays in finalising audits for various reasons.

During the period under review, guarantees were issued to Denel. The guarantees to Eskom, the TCTA, Denel, South African Airways and Transnet were regularly monitored. Quarterly reports on compliance with guarantee conditions were provided to the fiscal liability committee. As at 31 March 2026, the Minister of Finance approved the disbursement of R80 billion to Eskom as part of the Eskom debt relief package for 2025/26. Furthermore, as at 31 March 2026 Eskom received a total of R220 billion, of which R140 billion has been converted to equity after Eskom complied with all the strategic conditions as at 31 March 2026. In September 2025 the Eskom Debt Relief Amendment Act No. 5 of 2025 (EDRA) was gazetted, which revised the Eskom debt relief package, including the reduction of the debt takeover from R70 billion to R50 billion advances. Thereby reducing the debt relief support from R254 billion to R230 billion. The R10 billion remaining, is contemplated to be disbursed in 2028/29.

As at 31 March 2026, government's exposure in terms of Eskom's guaranteed debt (including interest and inflation) amounted to R352.17 billion. As at 31 March 2026, Eskom paid more than R1.6billion in interest to the fiscus. The availability period of the R350 billion guarantee framework agreement ended on 31 March 2023. Eskom has used R318 billion in government guarantees through the framework. During the period under review, the National Treasury provided input on policy, legislation and strategies related to Eskom's unbundling process, Transnet, the South African Post Office, the South African Broadcasting Corporation, Sentech, Broadband Infraco, the Central Energy Fund, climate finance and the just energy transition. Input was provided on the process for establishing a national water resources infrastructure agency which will see the TCTA merge with the Department of Water and Sanitation's infrastructure

branch. Input was also given on the South African Post Office's business rescue plan, which was developed by its business rescue practitioners.

During the reporting period, borrowing authorisation and related limit applications, as well as foreign currency borrowing limit applications from Transnet, Eskom, the Industrial Development Corporation, uMngeni-Uthukela Water and TCTA, were considered. On 12 September 2025, Fitch Ratings (Fitch) affirmed South Africa's 'BB-' credit rating with a stable outlook. According to the agency, South Africa's credit rating is constrained by low real GDP growth, high level of poverty and inequality, a high and rising government debt-to-GDP ratio, and fiscal rigidities that limit the scope for consolidation. These constraints are, however, partially offset by South Africa's favourable debt structure characterised by long maturities and a predominantly domestic currency denominated debt profile, as well as strong institutions and a credible monetary policy framework.

On 14 November 2025, S&P Global Ratings (S&P) upgraded South Africa's foreign currency long-term sovereign credit rating to 'BB' from 'BB-' and local currency long-term sovereign credit rating to 'BB+' from 'BB' with a positive outlook. S&P had initially maintained the country's rating at 'BB-' with a positive outlook on 16 May 2025, citing relatively low GDP per capita and low GDP growth rates, as well as sizable fiscal deficits and high government debt. The sovereign credit rating upgrade in November 2025, reflected South Africa's improving growth and fiscal trajectory, alongside a reduction in contingent liabilities tied to performance improvements at Eskom. The agency also noted that the government was on track to post its third annual primary surplus (revenue minus expenditure, excluding interest payments on debt) in 2025/26, while contingent liabilities are likely to ease as SOCs are likely to require less financial support going forward.

Moody's Investors Service (Moody's) did not undertake a formal rating action during the period under review. However, on 11 December 2025, Moody's published a 'Credit Opinion' on South Africa highlighting that the current 'Ba2' credit rating assigned reflects the country's robust macroeconomic framework, demonstrated commitment to fiscal discipline, a freely floating exchange rate and large private sector external assets buffer, both of which facilitate adjustment to external shocks. However, these credit strengths are set against the low growth potential due to an aging infrastructure network, a weak labour market and socioeconomic inequalities which continue to complicate policy implementation and elevate social risk. During the year under review, government successfully financed the gross borrowing requirement of R545.1 billion. This was done through net issuance of domestic short-term loans (R39.6 billion), domestic long-term loans (R390.6 billion) and foreign loans of R103.9 billion (equivalent to US$6 billion). In addition, cash and other balances to the amount of R11.1 billion was used to finance the balance of the gross borrowing requirement. During the period under review, R73.6 billion (in cash) of short-dated bonds were exchanged for long-dated bonds.

The stock of government debt increased by R410.9 billion, from R5.7 trillion in March 2025 to R6.1 trillion in March 2026, while strategic risk benchmark indicators remained within recommended limits. The cost of servicing government debt amounted to R417.9 billion, lower than the revised

budget estimate by approximately R2.7 billion. During the reporting period, domestic and foreign loans amounting to R159.2 billion were repaid. The division met all government's rand and foreign currency commitments daily, and surplus cash was invested. The aggregated weighted cost of funding (monthly issuances) amounted to 7.37 per cent. The cost of funding comprises fixed-rate bonds, which contributed 8.99 per cent; inflation-linked bonds, which contributed 4.03 per cent; floating rate notes, which contributed 7.46 per cent; and Treasury bills, which contributed 7.22 per cent.

# TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **APP #** | **OUTCOME** | **OUTPUT** | **OUTPUT INDICATOR** | **AUDITED ACTUAL PERFORMANCE 2023/2024** | **AUDITED ACTUAL PERFORMANCE 2024/2025** | **PLANNED ANNUAL TARGET 2025/2026** | **ACTUAL ACHIEVEMENT 2025/2026** | **DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT** | **REASONS FOR DEVIATIONS** |
| 4.1.1 | Sound financial controls and management of public finances | Reviewed planning and performance documents | Percentage of complete corporate plans received from schedule 2 and 3B public entities reviewed | 100% | 100% | 100% | 100% | N/A | N/A |
| 4.1.2 | | | Percentage of annual reports received from schedule 2 and 3B public entities reviewed | 100% | 96% | 100% | 100% | N/A | N/A |
| 4.1.3 | | Reviewed complete applications | Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed | 100% | 100% | 100% | 100% | N/A | N/A |
| 4.1.4 | | Annual gross borrowing requirement and refinancing risks benchmarks reports | Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks | 100% | 100% | 100% | 100% | N/A | N/A |

## STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

There were no underperforming indicators for this reporting period.

## CHANGES TO PLANNED TARGETS

There were no changes to planned targets for this reporting period.

## LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDEREXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDEREXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Management for Asset and Liability Management | 31,774 | 27,621 | 4,153 | 40,031 | 35,456 | 4,575 |
| State Owned Entity Financial Management and Governance | 42,089 | 42,030 | 59 | 1,845,437 | 1,844,554 | 883 |
| Government Debt Management | 25,554 | 25,201 | 353 | 26,304 | 25,787 | 517 |
| Financial Operations | 34,019 | 31,632 | 2,387 | 30,958 | 26,974 | 3,984 |
| Strategy and Risk Management | 11,728 | 11,456 | 272 | 13,380 | 10,681 | 2,699 |
| **Total** | **145,164** | **137,940** | **7,224** | **1,956,110** | **1,943,452** | **12,658** |

# 4.5 PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

**Purpose:** Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.

## Institutional outcomes

- Coherent economic policy advocated
- Sustainable public finances

## Subprogrammes

### Programme Management for Financial Accounting and Supply Chain Systems

This subprogramme supports planning, monitoring and coordinating deliverables of the programme plan.

### Office of Accountant-General

The purpose of this subprogramme is to facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the South African public sector through:

- Financial systems: Maintains and improves existing financial management systems and develops and implements the integrated financial management systems (IFMS). This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.
- Financial reporting for national accounts: Provides support to all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements. Responsibilities include the monthly monitoring of state budgets and expenditure reports in line with the PFMA.

- Financial management policy and compliance improvement: Promotes financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provides implementation support in the three spheres of government. It regulates financial management and accounting policies and sets the risk and internal audit frameworks in the three spheres of government. It also provides technical and other support for institutional capacity building relating to financial management and provides assistance with specialised performance audits and investigations of malpractice across all spheres of government.

### Office of the Chief Procurement Officer

The purpose of this subprogramme is to manage policy and legislative formulation for procurement systems in government, reduce wasteful expenditure and bring about efficient and cost-effective procurement across government. The office aims to enable the efficient, economic, effective and transparent use of financial and other resources, including state assets, for improved service delivery that supports and enforces the transparent and effective management of state procurement and the sound stewardship of government assets and resources.

## Service delivery objectives and indicators

### Recent outputs

### Office of the Accountant-General

A significant milestone during the period under review was the completion of the amendments to the PFMA and MFMA. These amendments took into account recommendations of the Zondo Commission on state capture. The department undertook extensive stakeholder engagements with Governance, State Capacity and Institutional Development Cluster, Department of Cooperative Governance and with the Forum of South African Directors-General. The primary purpose of the Bills is to strengthen transparency, accountability, and the prudent management of public resources by reinforcing oversight mechanisms, entrench fiscal discipline, and advance a more contemporary and resilient system of public financial management.

In line with Strategic Priority 1, which aims to drive inclusive growth and job creation, the National Treasury conducted a review of National Treasury Instruction No. 34 during the 2025/26 period. This instruction addresses the late or non-payment of supplier invoices and forms part of a medium-term initiative to improve compliance with the 30-day payment requirement. The review was undertaken in collaboration with the Office of the Presidency and the Department of Small Business Development. Progress on the revised instruction was monitored and reported on a quarterly basis.

In its efforts to strengthen state capacity, the National Treasury continued to support institutions regulated by the PFMA and MFMA through the provision of information and advocacy sessions, training programmes, and workshops. These sessions were attended by board members, executive management, financial and non-financial practitioners, and other key stakeholders. They covered a range of topics, including the PFMA, Treasury Regulations, and the management of irregular, fruitless and wasteful expenditure. Ongoing assistance was also provided on the interpretation, application and implementation of the PFMA and its prescripts throughout the reporting period.

Technical meetings with the AGSA and PFMA-compliant institutions were held throughout the reporting period to provide clarity on the interpretation of the PFMA, Treasury regulations and related instructions and frameworks. Responses to requests from PFMA-compliant institutions for the division to condone irregular expenditure was provided. Responses were also provided to requests for deviation from Treasury regulations and instructions. Formal responses were provided to departments and public entities listed in schedules, 2, 3A and 3B of the PFMA on its interpretation, application and implementation.

In 2025/26, the National Treasury continued to monitor the level of compliance by national and provincial departments with the requirements to pay suppliers' invoices within 30 days. The departments produced and published quarterly and annual reports in this regard based on the information received from departments to make them accessible to all relevant stakeholders. The reports included recommendations to accounting officers on how to improve compliance in this area. The National Treasury continued to assist and support suppliers with queries reported through the established 30 days queries portal.

The OAG developed a progress report on the improvement of financial management and compliance in PFMA institutions for 2025/26. This included analyses of the tabling of annual reports and AFS in legislature; audit outcomes in institutions subjected to the PFMA; non-compliance with laws and regulations in national and provincial departments; and unauthorised, irregular, fruitless and wasteful expenditure.

The division continued to manage and monitor the MFMA helpdesk, which serves as a critical communication platform for municipalities, municipal entities, provincial treasuries, and other key stakeholders to submit queries related to the interpretation and implementation of the MFMA. During the reporting period, some of the key matters addressed through the helpdesk include providing guidance to municipalities and municipal entities on how to address unauthorised, irregular, fruitless and wasteful expenditure (UIFWE); formal comments in line with section 46 of the MFMA on the intention to borrow to fund capital expenditure, section 33 of the MFMA formal comments on long-term contracts addressing a myriad of issues including contracts relating to the provision of water; land disposals and leases for development purposes; amongst others. As part of supporting and guiding municipalities and municipal entities on the implementation of the MFMA, the department also issued MFMA Circular No. 133, which guides municipalities and municipal entities on the status of Telkom for the purpose of the application of section 110 of the MFMA.

Additional assistance was provided through workshops, training, knowledge-sharing and capacity-building sessions. Focus included various stakeholder engagements aimed at capacitating Disciplinary Board members, municipal officials, audit committees, councillors, Municipal Public Accounts Committee (MPAC) etc. on their roles and responsibilities including matters of MFMA compliance, prevention and processing of UIFWE, implementation and the institutionalisation of consequence management in their municipalities. The overall intention of the sessions was to capacitate municipalities on the implementation of consequence management, addressing implementation challenges and the processing of UIFWE in terms of section 32 of the MFMA.

During the period under review, the National Treasury continued to monitor MFMA compliance through the 3 web enabled systems (Muni eMonitor system, Financial Management Capability Maturity Model (FMCMM) and Audit Action Plan system). The information submitted on these systems by municipalities, along with other related sources was used to compile the Strengthening Municipal Financial Management, MFMA Compliance Report, 2024/2025. The purpose of the report is to provide a consolidated status of MFMA compliance and implementation across all provinces. The report also includes recommendations for both municipalities and provincial treasuries to improve compliance and oversight over compliance respectively. The report was subsequently published on the National Treasury website.

MFMA coordinator meetings were hosted with officials of provincial treasuries, the national and provincial departments of cooperative governance, the AGSA, the South African Local Government Association and other stakeholders. These meetings covered a range of MFMA and financial management-related priorities, reforms and support measures that assist in coordinating the coherent and consistent application of the MFMA and improving compliance with the act.

The local government financial management grant was transferred to all 257 municipalities in 2025/26 to assist them with improving financial management and implementing the MFMA. The support plans submitted by municipalities indicated that funds were allocated for appointing financial management interns, improving financial management systems, supporting the preparation of asset registers, training officials to meet minimum competency levels, addressing shortcomings in assessments of the financial management capability maturity model, and strengthening financial governance and the capacity of budget and treasury offices.

National revenue and expenditure information was monitored and reported through monthly reports in terms of section 32 of the PFMA. Initiatives continued during the period under review to support national departments, entities, municipalities and provincial treasuries with accounting and reporting queries. Efforts also continued to support improving audit outcomes; and reviewing, providing feedback and monitoring AFS preparation plans and audit action plans. A review was conducted, and feedback provided on interim financial statements. The division participated in internal stakeholder engagements such as mid-term budget visits, MFMA joint meetings and external stakeholder engagements, including the Public Sector Accounting Forum, to provide information on technical accounting developments. Forums of chief financial officers were hosted for officials in national institutions and local governments. Through these, peer learning and experience sharing related to the operational impacts of the coordination, communication and implementation of financial management and governance reforms were facilitated.

The division continued supporting the work of internal auditors and risk management professionals in PFMA and MFMA spending agencies. The unit developed guidelines to enhance the capacity of internal auditors, audit committees, and risk management practitioners, resulting in improved consistency in the application of standards, strengthened governance and control environments, and more effective risk management practices across institutions. Information-sharing sessions were convened to disseminate information on new internal audit and risk management initiatives, discuss the revised global internal audit standards, and create opportunities for interaction with various stakeholders, providing guidance where necessary. Audit committees were supported through the responses to queries on the application of legislative prescripts. The Public Sector Audit Committee Forum provided a platform for collaboration, and capacity-building, through the exchange of best practices, guidance on governance matters, and strengthened oversight capabilities. During the reporting period, the Office of the Accountant-General (OAG) revitalised and reconfigured the Public Sector Audit Committee Forum (PSACF) in response to evolving governance challenges and the need for stronger, more practical support to audit committees. The reconstituted PSACF is intended to shift audit committees from predominantly compliance-driven structures to more strategic oversight partners that actively safeguard public resources, informed by persistent governance weaknesses observed in oversight outcomes and audit trends. The PSACF has been repositioned as a structured platform to surface transversal issues and reforms affecting audit committees

across government, rather than resolving institution-specific disputes (which are expected to be addressed through existing institutional channels and dispute mechanisms).

A key development is the establishment of a four-part PSACF structure, with the OAG as policy custodian and secretariat, supported by: (i) an Advisory Working Group (AWG) consisting of government institutions, providing strategic advice on policy and oversight matters; (ii) a Consultative Working Group (CWG) consisting of professional bodies and academia, providing expert feedback and helping refine frameworks, templates and tools so they are practical and aligned to best practice; (iii) a Commentators Group deliberately created as an open platform to retain wider expertise and inputs from stakeholders not accommodated in the structured groupings (including firms and other interested parties); and (iv) an Audit Committee Members' Forum, which draws in serving audit committee members from across all spheres to ensure guidance and reforms are informed by lived practical realities. The restructuring also broadened the National Treasury contribution beyond the OAG to include additional specialist units, notably public sector governance, public entities governance, the Office of the Chief Procurement Officer (given the prevalence of SCM-related audit committee concerns), and public finance/budget capability; and it strengthened participation from provincial treasuries, recognising their central role in supporting large numbers of audit committees and the need for their voice in transversal reforms.

In terms of engagements, the PSACF convened the inaugural AWG meeting on 30 October 2025, the CWG meeting on 02 December 2025 under the theme "Unified for Impact: Building Stronger Audit Committees," bringing together key support departments for AWG meeting, while for CWG professional bodies (including IIASA, SAICA, IoD and IRMSA) and research capacity (RACSA) to support refinement of policies, frameworks, and tools, and to clarify roles, deliverables and performance expectations for both the AWG and CWG. The PSACF also convened the inaugural session of the Audit Committee Members' Forum on 27 January 2026 to enable direct engagement with serving audit committee members, validate priorities, and reinforce that audit committee reform and capacity building must be shaped with audit committee member participation. Discussions across these sessions highlighted practical priorities including: the development of an online repository/portal and knowledge hub to support consistent application of audit committee responsibilities; strengthening guidance on independence, ethics and performance evaluation; improving escalation protocols where recommendations are not implemented; supporting alignment with emerging governance requirements; and addressing interpretation concerns through appropriate channels while leveraging the participation of all the relevant participants in PSACF structures.

Risk management committees also received support on the risk management framework and the embedding of risk management practices. Reports generated from these reviews informed how additional support was to be provided.

Support was provided to municipalities and skills development facilitators to ensure that through the local government financial management grant (FMG), municipalities provided opportunities to unemployed graduates in line with the Municipal Finance Management Internship Programme Guideline and the Division of Revenue Act (DoRA) issued by the National Treasury. This initiative is aligned two (2) of the three (3) national strategic priorities of the state, which is to drive inclusive growth and job creation, as well as building a capable, ethical, and developmental state by building a feeder talent pipeline for local government. The internship programme is one of many initiatives of the National Treasury to ensure that municipalities have a pool of talent that is employable to assist municipalities with financial management competencies, and at the same time alleviate social ills of poverty and unemployment.

The implementation of the internship programme, which is funded through the financial management grant (FMG), continued in 2025/26. Regular monitoring of rotational workplans, completion status of the Minimum Competency Levels unit standards applicable to middle management and absorbing interns at the end of their training period helped improve the programme. Four (4) reports were produced for the period under review, highlighting the MFMIP implementation compliance/ conformance challenges that were distributed to all delegated municipalities through the respective provincial treasuries and to the non-delegated municipalities.

The annual Skills Development Facilitator and Internship (SDF&I) Forum was formally established to amongst others, conduct the intern's verification process where approximately 705 interns were physically verified. These forums were also used as a platform for refresher trainings focused on enhancing compliance by municipalities the Municipal Regulations on Minimum Competency levels (MRMC) and Municipal Financial Management Internship Programme (MFMIP). The targeted officials were the Skills Development Facilitators, mentors, human resources officials, and budget and treasury officials that plays a role in the FMG internship programme.

Continual support and oversight were provided to municipalities to ensure compliance with the municipal regulations on minimum competency levels, as prescribed, to assist municipalities to address skills gaps and ensure compliance in a manner that will not disrupt day-to-day operations. Two (2) reports were produced for the period under review, highlighting the MRMC implementation compliance challenges that were distributed to all delegated municipalities through the respective provincial treasuries and to the non-delegated municipalities.

Support to develop a pool of accounting professionals continued during the period under review through the Chartered Accountants Academy. Nine candidates successfully completed the three-year training as at 31 March 2026, while 23 were still in various stages of the programme.

# 04 PERFORMANCE INFORMATION BY PROGRAMME

During the financial year, National Treasury (NT), in partnership with the National School of Government (NSG), developed a strategic and practical short learning programme—commonly referred to as the CFO Course—aimed at equipping public sector financial professionals employed in both National and Provincial Departments with the knowledge, skills, and competencies required to perform effectively as Chief Financial Officers (CFOs). Due to financial considerations, a specific programme targeted at local government and public entities will be developed in the next financial year.

The course is anchored in NT's vision to strengthen public financial management and improve accountability across government institutions through targeted capacity-building initiatives. Its development was informed by findings from the NT-led CFO assessment, commissioned as part of a Cabinet initiative to better understand the factors influencing audit outcomes across all spheres of government.

Designed to empower both current and aspiring finance leaders, the programme provides a blend of technical expertise, strategic insight, and governance knowledge essential for effective financial leadership. It targets current CFOs, senior finance managers, directors, public sector executives with financial responsibilities, audit committee members, and professionals seeking to advance into CFO roles in departments. Through this training, participants will enhance their ability to promote sound financial management, strengthen accountability, and support improved service delivery in the public sector. The course will be delivered by the NSG on a blended learning platform from the new financial year.

Its development was preceded by the signing of a Memorandum of Understanding (MoU) between NT and the NSG, aimed at fostering collaboration on capacity-building initiatives that support the mandates of both institutions. This partnership enables the sharing of resources, expertise, and best practices in advancing public financial management. It also provides a platform for joint initiatives such as discussion forums, conferences, seminars, workshops, and webinars aimed at strengthening capacity across the public sector.

In further support of professionalisation within the public sector, NT also entered into a MOU with the South African Institute for Government Auditors (SAIGA), focusing on collaborative efforts to enhance professional standards and development within government finance and audit functions.

## Office of the Chief Procurement Officer

The Public Procurement Act (2024) was approved by the President and gazetted as an Act of Parliament on 23 July 2024. A number of the provisions of the Act require regulations to be in place before the accompanying provisions can be brought into operation. As at 31 March 2026, draft regulations to the act had been developed and awaiting approval to publish for public comments. It is envisaged that the draft regulations will be published for public comments during the first quarter of 2026/27 financial year and promulgated during 2026/27 financial year.

In the 2025/26 financial year, the OCPO facilitated 14 transversal-term contracts and 9 supplementary-term contracts, exceeding the annual target of 14 contracts. These agreements have an estimated combined value of R108,053,919,612 and achieved negotiated savings of 2.61%. The contracts are strategically aimed at enhancing procurement efficiency by leveraging bulk purchasing to realise cost savings and economies of scale. They cover key commodities such as fleet management, medical and health technology services, education, voice and telecommunications, as well as clothing and textiles.

Government's CSD continues to simplify and strengthen the accessibility of doing business with the state. As at 31 March 2026, there were 845,652 registered suppliers, of which 306,257 were women-owned, 215,782 were youth-owned and 7,356 were owned by people with disabilities. During the reporting period, to better know the suppliers, the platform required suppliers to provide supporting evidence of their disability, military veteran status and any accreditations reflected on CSD. The system automatically sends reminders to suppliers when supporting evidence is about to expire. The Request for Quotations has been further automated by enabling online evaluation by organs of states. Based on the evaluation by the organ of state, the system recommends to whom the RFQ should be awarded.

The eTenders portal was also improved by including simplified statistics on the transparency dashboard. During the reporting period, 31 998 procurement opportunities were advertised on the platform. A successful campaign was launched to encourage organs of state to capture award information on the portal, which led to 17 893 awards being reported. There was a steady increase in the number of organs of state using the functionality for online bid submission on the eTenders portal. The OCPO published all procurement plans that were reported to the National Treasury.

The OCPO launched the Procurement Payments Dashboard, a digital platform that enables the public to explore how government spends public funds on goods and services. This represents a significant step toward enhancing transparency and public accountability, in line with the recommendations of the 2024 Methodology for Assessing Procurement Systems (MAPS) Assessment Report for South Africa. The dashboard is accessible via the eTender Portal to the public.

An Instruction Note on Procurement Information Transparency was issued to support the publication of the dashboard and guide the collection of procurement information from various systems. Data was initially drawn from the Basic Accounting System (BAS), the Logistical Information System (LOGIS), and supplemented by supplier data from the Central Supplier Database (CSD). Published data includes supplier and ownership details, as well as the nature, value, and quantity of procurement transactions and payments.

There were additional SCM business processes that were automated during the financial year that are related to reporting of malpractice and implementation of corrective measures and interventions. These processes were implemented through the development of the new OCPO Management System that was piloted in quarter 4 of the financial year where 502 officials were trained and 102 onboarded from 44 organs of state.

During the year under review, the OCPO finalised the development of the Supply Chain – Compliance Risk Assessment and Monitoring (CRAM) Tool. This tool aims to be an early warning tool to detect SCM risks and assess the SCM maturity levels of institutions across all spheres of government. It will assist departments, municipalities, and state-owned entities in evaluating their risk environments, identifying gaps, formulating actionable improvement strategies, and monitoring implementation of mitigation plans. The overall goal is to enhance SCM compliance, maturity, and performance. Advocacy sessions and deployment has been done for all Provincial and National Departments and their entities

The development of a framework for the professionalisation of public sector supply chain management was strengthened during the year under review. The objectives of the framework are:

- To institutionalise the professionalisation of public procurement through an enabling environment that supports high-performance procurement practitioners;
- To promote professionalisation by enhancing organisational capacity within institutions;
- To develop and empower a corps of competent, committed, and high-performing public procurement professionals;
- To strengthen stakeholder management by creating an environment that fosters formal, effective, and mutually beneficial partnerships.

The OCPO continued to enhance, monitor, and enforce compliance through SCM norms and standards. This involved supporting organs of state through workshops on bid reviews, condonation of irregular expenditure, supplier restrictions as requested by organs of state, and provision of institutional support plans. Site visits were also conducted to verify projects. In addition, the division continued to provide updates to parliamentary committees on SCM-related matters arising from organs of state.

During the year under review, the OCPO continued with the institutionalisation of the Strategic Procurement Framework (SPF) focusing on four procuring institutions s pilot sites i.e Department of Justice and Constitutional Development, Northern Cape Province, Midvaal Municipality and the South African Revenue Services. The institutions were selected based on their diversity of configurations and for the provision valuable insights from all the different spheres of government (national, provincial, state-owned company (SOC), and local government). The Memorandum of Understanding (MoUs) were signed with pilot sites and project leads appointed. The institutionalisation process included analysing institutional procurement spend to determine their high spending commodities, analysing their commodity portfolio in relation to the institutional mandate, understand the types of suppliers conducting business with the pilot sites and their demographics in terms of the RDP goals and assess if the pilot sites are advancing their applicable socio-economic objective targets. Ultimately, the pilot sites were able to identify future procurement opportunities. This spend analysis exercise was also internally conducted for all the National Departments.

The OCPO also provided Strategic Procurement Framework training and awareness sessions to municipal managers, heads of departments, chief financial officers, and heads of supply chain management through their various forums, this was in response to the request from the SCM officials that the decision makers of their institutions need to be appraised on the SPF to see the benefits and support the implementation thereof. Additional four SPF webinars on specific strategic sourcing topics we successfully conducted with each session gaining an audience of more than 450 officials in attendance from all spheres of government.

Furthermore, the division expanded the specification library to include security services commodity for government institutions and national key points. This process was undertaken with the collaboration of the Cross functional Sourcing Team of security experts from various institutions and gathering of information from the regulators and the security industry. SCM support was also provided through SCM forums. In addition, ad hoc and technical support services were provided which addressed SCM challenges such as RFQ automation, non-system-related issues and matters relating to SASSA beneficiaries who are conducting or intending to conduct business with the state. The division also coordinated and responded to engagements with identified OCPO clients to support government strategies and programmes for public procurement. And these amongst others included provision of inputs to institutions of higher learning in strengthening their SCM curriculum. This includes the review and amends to the Chief Financial Officers' module offered by the National School of Government. Further collaboration

and stakeholder support was with the Graca Machel Trust that seeks to support emerging young female entrepreneurs across the African continent.

# ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

| PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 UNTIL DATE OF RE-TABLING | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS | REASON FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ANNUAL TARGETS |
| 5.1.2 | Sound financial controls and management of public finances | Legislative reforms (Amendments of the PFMA and MFMA) | Amendments to the PFMA and MFMA drafted | # | PFMA and MFMA amendments not published for public comments | PFMA and MFMA amendments submitted to Minister | This is an annual target, therefore, there were no targets set for quarters 1 to 3. | This is an annual target, therefore, there were no targets set for quarters 1 to 3. | N/A | This is attributable to alignment to the oversight processes required for the amendments to the PFMA and MFMA. |
| 5.1.8 | | Procurement legislation | Procurement legislation developed | Draft public procurement regulations not produced | Draft public procurement regulations not produced | Regulations to the Public Procurement Act promulgated | This is an annual target, therefore, there were no targets set for quarters 1 to 3 | This is an annual target, therefore, there were no targets set for quarters 1 to 3 | N/A | This is attributable to the processes that must be embarked on which are not within the department's control. |

# RE-TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

| PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 5.1.1 | Sound financial controls and management of public finances | Public Finance Norms and Standards | Number of norms and standards developed | # | # | 6 | 11 | 5 | Over-performance is attributed to an increased number of issues raised by PFMA and MFMA compliant institutions on the existing legislative frameworks requiring the issuance of norms and standards. |
| 5.1.2 | | Amendments to the PFMA and MFMA | Amendments to the PFMA and MFMA drafted | # | # | Amendments to the PFMA and MFMA submitted to FOSAD | Amendments to the PFMA and MFMA submitted to FOSAD | N/A | N/A |
| 5.1.3 | | Report on Public Finance Management support initiatives | Number of reports on Public Finance Management support initiatives produced | # | # | 1 | 1 | N/A | N/A |
| 5.1.4 | | Draft SCM Professionalisation Framework | SCM Professionalisation Framework developed | # | # | Draft SCM Professionalisation Framework developed | Draft SCM Professionalisation Framework developed | N/A | N/A |

| PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 5.1.5 | | Financial management systems | Financial management systems automated | # | # | Functionality to track invoices and payments within 30 days developed | Functionality to track invoices and payments within 30 days developed | N/A | N/A |
| 5.1.6 | | Automation of public procurement | Government procurement automated | # | # | Automated process for handling requests for quotations implemented | Automated process for handling requests for quotations implemented | N/A | N/A |
| 5.1.7 | | Transversal term contracts | Number of transversal term contracts implemented | 40 | 33 | 14 | 22 | 8 | Over-performance is attributed to the commencement of planned contracts ahead of schedule and the finalisation of supplementary bids that were issued and finalised as an alternative sourcing strategy. |

## STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

There were no underperforming indicators for this reporting period.

## CHANGES TO PLANNED TARGETS

| PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 UNTIL DATE OF RE-TABLING | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS | REASON FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ANNUAL TARGETS |
| 5.1.2 | Sound financial controls and management of public finances | Legislative reforms (Amendments of the PFMA and MFMA) | Amendments to the PFMA and MFMA drafted | # | PFMA and MFMA amendments not published for public comments | PFMA and MFMA amendments submitted to Minister | This is an annual target, therefore, there were no targets set for quarters 1 to 3. | This is an annual target, therefore, there were no targets set for quarters 1 to 3. | N/A | This is attributable to alignment to the oversight processes required for the amendments to the PFMA and MFMA. |
| 5.1.8 | | Procurement legislation | Procurement legislation developed | Draft public procurement regulations not produced | Draft public procurement regulations not produced | Regulations to the Public Procurement Act promulgated | This is an annual target, therefore, there were no targets set for quarters 1 to 3 | This is an annual target, therefore, there were no targets set for quarters 1 to 3 | N/A | This is attributable to the processes that must be embarked on which are not within the department's control. |

## LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER) /UNDEREXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDEREXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Management for Financial Accounting and Supply Chain Management Systems | 7 827 | 7 741 | 86 | 13 432 | 12 610 | 822 |
| Programme Management for Procurement Office | 53 358 | 52 976 | 382 | 58 751 | 57 311 | 1440 |
| Office of the Chief Procurement Officer | 87 592 | 86 817 | 775 | 95 387 | 91 556 | 3 831 |
| Financial Systems | 347 921 | 347 117 | 804 | 367 859 | 360 844 | 7 015 |
| Financial Reporting for National Accounts | 117 162 | 116 691 | 471 | 126 622 | 122 815 | 3 807 |
| Financial Management Policy and Compliance Improvement | 123 269 | 122 771 | 498 | 114 256 | 102 377 | 11 879 |
| Service Charges: Commercial Banks | 126 | 257 | (131) | 1 110 | 263 | 847 |
| Audit Statutory Bodies | - | - | - | - | - | - |
| **Total** | **737 255** | **734 372** | **2 883** | **777 417** | **747 776** | **29 641** |

# 4.6 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

**Purpose**: Advocate South Africa's financial, economic and developmental interests in forums regionally and globally.

## Institutional outcomes

- Coherent economic policy advocated

## Subprogrammes

### Programme Management for International Financial Relations

This sub-programme supports the planning, monitoring and delivering of the programme's activities. The unit oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of the National Treasury; and plans, implements and monitors programmes and activities of the division.

### International Economic Cooperation

This sub-programme focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and **for a** such as the African Development Bank (AfDB), New Development Bank (NDB), the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the Group of G20 (G20), the Brazil- Russia-India-China-South Africa (BRICS) group of countries, the International Monetary Fund (IMF), the Paris Club, Organisation for Economic Cooperation and Development (OECD) and the Group of 24 (G24).

### African Integration and Support

This sub-programme serves mainly as a vehicle to enable the National Treasury to engage with Africa through the Southern African Customs Union (SACU), the Southern African Development Community (SADC) and the African Union (AU). Regional integration in terms of growing trade, infrastructure investment and strengthening bilateral relations with key countries are the focus areas for strengthening South Africa's relations with SACU, SADC and Africa more broadly.

### International Development Funding Institutions

This sub-programme provides for subscriptions and contributions to international development institutions and Multilateral Development Banks (MDBs) and oversees South Africa's relationship with these institutions. It transfers funds to the AfDB, the World Bank Group (WBG) and the NDB to buy shares that contribute to the increases in authorised capital of the MDBs; and it makes contributions to the replenishment of the African Development Fund and the International Development Association to support African development through provision of concessional loans and grants to low-income countries.

### International Projects

This sub-programme transfers funds to international projects and interventions, supports priorities such as building capacity and providing medical support to disaster-hit and impoverished areas. To this end, the National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunization (GAVI), a public-private global health partnership aimed at supporting health care and providing vaccines to reduce the number of vaccine-preventable deaths among children in low-income countries.

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### Recent outputs

During the reporting period, the division continued to manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.

### African economic integration

#### Africa Programmes

The National Treasury continues to represent the Southern Africa region in the Committee of 15 Finance Ministers (F15) of the African Union (AU). The F15 plays a critical role in holding the AU Commission accountable, ensuring value for money and enforcing transparency in the implementation of the AU's budget. Although participation in the F15 is intended to rotate every three years, this has not been the case since 2016 because of a delay in approving procedural rules, resulting from a request by tier 1 countries (South Africa, Nigeria, Egypt, Morocco and Algeria) to be permanent members. In July 2023, the executive council directed that the F15 ministerial committee convene with at least three ministers of finance in attendance to finalise

the rules. However, this remains incomplete, and South Africa continues to participate in the F15 committee until the rules are finalised. The National Treasury participated in the AU's annual budget process during the reporting period, in which the executive council approved US$609 million towards the AU's overall budget for 2025/26. Member states contributed US$200 million of this amount. South Africa's contribution as a tier 1 country was US$15 million, 7.5 per cent of the overall contribution of member states.

The National Treasury and SARB are responsible for advancing positions of national interest within the AU specialised technical committee of ministers of finance, economic planning and development, and monetary affairs. The National Treasury and SARB also participate in the committee to advance South Africa's position on the establishment of AU financial institutions. A feasibility study to assess the possibilities of establishing these within the context of Africa's current economic environment, in line with the AU Constitutive Act, is yet to be concluded.

### Southern African Customs Union

The Department of Trade, Industry and Competition is the national focal point on matters relating to the Southern African Customs Union (SACU), with the National Treasury and SARS providing support. The National Treasury is responsible for the programme on the finance track, led by finance ministers from the SACU region, and manages the common revenue pool in terms of the 2002 SACU agreement. The division exercised oversight, ensuring the effective financial governance of the SACU secretariat, by participating in quarterly finance, risk and audit committee meetings. During the period under review, the division oversaw the implementation of SACU's 2024/25 budget and business plan, and the approval of its 2024/25 internal audit plan. South Africa was handed chairship of the committee from 15 July 2024 to 14 July 2025, and the division chaired three of its meetings. In working towards the reimagination of SACU, the commission held its first retreat in Swakopmund, Namibia, in October 2024, and its recommendations are for consideration at the ministerial level by the SACU council. South Africa was set to take over the chairship of SACU in July 2025, including the commission and council.

The division is also responsible for the Common Monetary Area, which facilitates South Africa's relations with Eswatini, Lesotho and Namibia, as governed by the Multilateral Monetary Area. A payment of R1.2 billion to Eswatini, Lesotho and Namibia was made during the reporting period for the treatment of the South African rand as legal tender. A work programme for the Common Monetary Area's council was drafted with SARB and Eswatini, the current chair of the Common Monetary Area.

## Southern African Development Community

South Africa's engagement in the Southern African Development Community (SADC) is coordinated by the Department of International Relations and Cooperation as the national contact point and lead department at the SADC council of ministers. The National Treasury is the sector specialist on all matters related to the finance track. During the period under review, the National Treasury supported the Minister of Finance during the meeting of the SADC committee of ministers of finance and investment, which reflected on the region's performance against SADC macroeconomic convergence targets; the SADC candidate for the African Development Bank president; and the operationalisation of the Regional Development Fund. The committee of ministers of finance and investment also approved and recommended the SADC Secretariat's 2025/26 budget for endorsement by the SADC council of ministers in August 2025.

At the senior official level, the Division attended the SADC finance committee, where it continued to advocate and make recommendations to strengthen good financial governance at the SADC Secretariat. Finance committee reports were approved at council meetings in August 2024 and March 2025.

## Global and emerging markets

### G20

South Africa presided over the G20 presidency from 1 December 2024 to 30 November 2025 under the theme, "Solidarity, Equality and Sustainability". The National Treasury, in collaboration with the South African Reserve Bank, led the Finance Track, convening approximately 35 meetings over the course of the Presidency. The primary objective of the Finance Track was to ensure that the priorities of emerging markets and developing economies, particularly those of Africa, were reflected across all G20 Finance Track workstreams, while maintaining momentum on key ongoing initiatives of interest to the broader G20 membership.

The Finance Track delivered several high-impact outcomes that reinforced the G20's commitment to global financial stability, strengthened the representation of developing economies, and established a substantive legacy for Africa within the G20.

Under South Africa's Presidency, the following initiatives were identified as Finance Track legacy initiatives that will extend beyond the duration of the Presidency:

- African Engagement Framework: The G20 Africa Engagement Framework (AEF) is a multi-year mechanism to guide G20 support for Africa's growth and development, including fiscal resilience, infrastructure development, governance reforms, and efforts to reduce the high cost of capital. The AEF is a medium-term (2026–2030) approach within the G20 Finance Track that commits the Finance Track to structured, ongoing engagement with Africa. Under the AEF, each successive G20 Presidency may select policy pillars that advance Africa's development drawn from the framework's menu of options that will be periodically updated by South Africa and the African Union, in close consultation with African policymakers and each G20 Presidency.
- G20 Ministerial Declaration on Debt Sustainability: In 2025, South Africa championed the first G20 Ministerial Declaration on Debt Sustainability. This was a landmark achievement, as G20 Finance Ministers have committed to supporting efforts by low- and middle-income countries to address debt vulnerabilities in an effective, comprehensive, and systematic manner.
- Ubuntu Legacy Initiative: Led by the South African Presidency, the African Development Bank (AfDB) together with the World Bank and the Asian Infrastructure Investment Bank developed a Toolkit for Cross-Border Infrastructure Projects. It provides practical guidance to policymakers to overcome major barriers to planning, financing, implementing and managing infrastructure projects that span multiple jurisdictions. Building on this, the South Africa in collaboration with AfDB launched the Ubuntu Legacy Initiative to translate the G20 Toolkit for Cross-Border Infrastructure into a programme of action and thus accelerating cross-border infrastructure projects by fostering collaboration among African stakeholders and development partners. It is expected to support the African Continental Free Trade Area by unlocking priority infrastructure projects that promote regional cooperation and economic integration.
- Africa Expert Panel: The Africa Expert Panel (AEP) was established to provide strategic advice on the continent's key economic and development challenges. The Panel undertook analytical work on the continent's key structural challenges and emerging opportunities and presented its report to G20 Leaders at the Johannesburg Summit in November 2025. It will continue its work beyond South Africa's G20 Presidency to support the implementation of its recommendations and sustain Africa's engagement within the G20.
- Compact with Africa: The Finance Track reinvigorated the Compact with Africa (CwA), reaffirming its commitment to promoting private sector investment and accelerating economic transformation across CwA member states. During South Africa's G20 Presidency, Zambia and Angola joined the CwA, increasing the number of CwA countries to 15.

### International Financial Architecture

As an official creditor to selected African countries via development finance institutions, South Africa has participated in various official creditor committees under the Common Framework. The National Treasury (representing South Africa) acted as vice-chair in the official creditor committee for Zambia, with France and China as co-chairs; and is participating in the official creditor committees of Ethiopia and Ghana. In 2025 the Minister of Finance signed the Memorandum of Understanding (MoU) for Ethiopia's debt treatment under the Common Framework on behalf of South Africa.

South Africa also chaired the Global Sovereign Debt Roundtable (GSDR) with the IMF and the WBG in its capacity as the G20 Chair in 2025. A key outcome of these meetings was the publication of a Sovereign Debt Restructuring Playbook for country authorities. South Africa also joined the London Coalition Steering Committee launched in 2025, which brings together public and private sector leaders to improve debt sustainability for developing nations. It is co-chaired by the UK Treasury and former Standard Chartered chair José Viñals, it aims to reform debt contracts, enhance transparency, and address climate-related financial shocks.

## Multilateral development banks and concessional finance

### International organisations

### Organisation for Economic Cooperation and Development

South Africa's relations with the Organisation for Economic Co-operation and Development (OECD) continue to be carried out through the Enhanced Engagement framework. This Framework aims to strengthen the participation of major emerging markets and developing economies in the OECD's work by fostering collaboration, facilitating the sharing of policy perspectives, promoting adherence to OECD legal instruments, and integrating participating countries into OECD statistical systems and policy indicators.

During the reporting period, the Division continued to drive alignment between government priorities, as articulated in the 2024 to 2029 Medium-Term Development Plan, and the OECD Joint Work Programme. The Programme focuses on five key areas: inclusive growth and competitiveness, SMME development, trade and investment promotion, skills development, and institutional strengthening.

Progress was made by Government Departments in advancing elements of the Joint Work Programme, particularly through increased participation in OECD committees, working parties and technical engagements across priority sectors. Departments contributed to OECD policy discussions, engaged in peer learning processes, and participated in analytical workstreams aligned to domestic reform priorities. Implementation remained uneven across Departments, with varying levels of uptake and coordination.

### World Economic Forum

Support was provided to the Minister of Finance, who led the South African delegation to the Annual Meeting of the World Economic Forum on behalf of the President. The delegation, comprising senior government representatives and members of the private sector, was effectively coordinated to advance a unified Team South Africa narrative. Engagements at the meeting focused on reinforcing the country's macroeconomic stability and policy credibility, demonstrating tangible progress in the implementation of structural reforms, and positioning South Africa as an attractive destination for investment.

The delegation utilised a range of platforms including high level sessions, bilateral engagements, media interactions and targeted stakeholder engagements to articulate South Africa's policy priorities and economic outlook. These engagements highlighted progress in key reform areas including energy, logistics and regulatory efficiency, while also underscoring opportunities to deepen trade competitiveness, support regional integration and advance an investment aligned green transition.

Overall, South Africa's participation at the Annual Meeting strengthened its international profile, fostered strategic partnerships and reinforced confidence in the country's economic trajectory and reform agenda.

### Concessional finance

#### International Development Association and African Development Fund

South Arica supported the scaling up of concessional finance to low-income countries during the reporting period through the National Treasury's effective participation in the replenishment negotiations of the African Development Bank's concessional fund, the African Development Fund which plays a crucial role in financing transformative projects in the most vulnerable African countries. This resulted in securing a historic commitment of US$11 billion for the fund's 17th replenishment, that covers the 2026 to 2028 cycle. as well as retaining key priorities such as job creation and private sector development.

The Division supported South Africa's effective engagement in the International Development Association (IDA), the concessional fund of the World Bank. During the reporting period, the IDA 21 replenishment cycle officially commenced on 1 July 2025

### International Climate change

During the period under review, the division supported the National Treasury's participation in the just energy transition partnership, working closely with the project management unit established to coordinate the implementation of the partnership's investment plan. The Division supported the Minister of Finance's participation in a COP30 Circle of Finance Ministers, that discussed multiple climate finance mechanisms and support specific negotiations at the United Nations Framework Convention on Climate Change at the COP30 negotiations such as the Baku to Belem Roadmap to USD 1.3 trillion. Furthermore, the Division led South Africa's participation in the finance discussions at COP30. This entailed providing guidance to the operating entities of the financing mechanism and the establishment of the new 2-year Climate finance work programme; as well as a 3-year Veredas Dialogue to advance the implementation of Article 2.1(c) of the Paris Agreement. Article 2.1(c) focuses on making financial flows consistent with low emissions, climate resilient development.

## Multilateral development banks

### World Bank

During the period under review, the Division provided strategic and technical support to the Minister of Finance to advance South Africa's positions, as well as those of African countries, within World Bank Group (WBG) deliberations. This support included facilitating South Africa's active participation in the biannual meetings of the World Bank Board of Governors and supporting the effective functioning of South Africa's Constituency at the World Bank.

In addition, substantial engagement focused on the development of the Credit Guarantee Vehicle (CGV) for energy transmission infrastructure in collaboration with the WBG. These engagements aimed to ensure that the CGV is technically robust and viable, meets economic, institutional, fiduciary, social, and environmental requirements, and is sufficiently advanced to proceed to negotiation, approval, and implementation.

Under the South Africa Country Partnership Framework (CPF) for 2022–2026, which guides cooperation between South Africa and the WBG, lending activities expanded the operational footprint of the International Bank for Reconstruction and Development (IBRD). This expansion occurred through a deepening and broadening of the financing portfolio across the energy, urban development, financial, water, and transport sectors, including increased engagement at the subnational level.

Notably, a new financial instrument—the Program-for-Results (PforR)—was introduced and approved to support the revitalisation of the Metro Trading Services Programme. This marked a shift in South Africa's engagement with the World Bank from predominantly knowledge-based support to increased lending operations, thereby strengthening alignment with national development priorities.

### African Development Bank

In 2025/26, the Division continued to support South Africa's strategic engagement with the African Development Bank (AfDB) by facilitating active participation in the Annual Meetings of the Board of Governors and supporting the work of South Africa's constituency at the Bank. Since January 2026, the AfDB has worked closely with South Africa on the launch of the New African Financial Architecture (NAFA), which seeks to provide a system-wide framework for improving the deployment of capital and risk across Africa's financial ecosystem.

Implementation of the AfDB's Country Strategy Paper for South Africa (2023–2028) continued through a combination of lending and non-lending operations. During this period, the Bank significantly expanded its engagement with the private sector, reflecting the importance of private investment in driving economic growth and job creation.

A key achievement during the reporting period was the approval of a R2.5 billion subnational loan to the City of Johannesburg, marking the first subnational loan approved by the AfDB in South Africa and representing a milestone in the Bank's engagement at the local government level.

# TABLED ANNUAL PERFORMANCE PLAN 2025/26

## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

| PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APP # | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2023/2024 | AUDITED ACTUAL PERFORMANCE 2024/2025 | PLANNED ANNUAL TARGET 2025/2026 | ACTUAL ACHIEVEMENT 2025/2026 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT | REASONS FOR DEVIATIONS |
| 6.1.1 | Coherent economic policy advocated | Economic surveillance response-reports | Percentage of economic surveillance reports responded to | 100% | 100% | 100% | 100% | N/A | N/A |
| 6.1.2 | | G20 Finance Track ministerial meetings | Percentage of the required G20 Finance Track ministerial meetings convened | # | # | 100% | 100% | N/A | N/A |
| 6.1.3 | | Outcomes of South Africa's engagements in regional and global forums analysis reports | Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced | 1 | 10 | 3 | 3 | N/A | N/A |

### STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE (INDICATORS AND ACTION PLANS)

There were no underperforming indicators for this reporting period.

### CHANGES TO PLANNED TARGETS

There were no changes to planned targets for this reporting period.

## LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDEREXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDEREXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Management for International Financial Relations | 18 454 | 16 202 | 2 252 | 13 779 | 10 092 | 3 687 |
| International Economic Cooperation | 62 991 | 46 765 | 16 226 | 137 523 | 134 178 | 3 345 |
| African Integration and Support | 1 420 118 | 1 240 538 | 17 958 | 1 084 483 | 1 083 692 | 791 |
| International Development Funding Institutions | 997 521 | 992 447 | 5 074 | 2 540 431 | 1 524 235 | 1 016 196 |
| International Projects | 27 158 | 25 497 | 1 661 | 28 241 | 22 574 | 5 667 |
| **Total** | **2 526 242** | **2 321 449** | **43 171** | **3 804 457** | **2 774 771** | **1 029 686** |

2025/26

National Treasury

# ANNUAL REPORT

## Vote 8

## PART B
## PERFORMANCE INFORMATION

TRANSFER **PAYMENTS**

## 5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

| NAME OF PUBLIC ENTITY | SERVICES RENDERED BY THE PUBLIC ENTITY | AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000) | AMOUNT SPENT BY THE PUBLIC ENTITY (R'000) | ACHIEVEMENTS OF THE PUBLIC ENTITY |
|---|---|---|---|---|
| 1. Accounting Standards Board | Determine standards of generally recognised accounting practice | 15 489 | 15 489 | Refer to General information: Public entities reporting to the minister |
| 2 Financial and Fiscal Commission | Assist and maintain the balance between fiscal decentralisation and the unitary state | 62 966 | 62 966 | Refer to General information: Public entities reporting to the minister |
| 3. Financial Intelligence Centre | Assist in the identification of unlawful activities, the combating of money laundering activities, and the financing of terrorism and related activities | 480 898 | 480 898 | Refer to General information: Public entities reporting to the minister |
| 4. Government Technical Advisory Centre | Support public finance management through professional advisory services, programme and project management and transaction support | 75 180 | 75 180 | Refer to General information: Public entities reporting to the minister |
| 5. Independent Regulatory Board for Auditors | Registration of auditors and regulation of the training of public accountants and auditors | 49 545 | 49 545 | Refer to General information: Public entities reporting to the minister |

# 05 TRANSFER PAYMENTS

| NAME OF PUBLIC ENTITY | SERVICES RENDERED BY THE PUBLIC ENTITY | AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000) | AMOUNT SPENT BY THE PUBLIC ENTITY (R'000) | ACHIEVEMENTS OF THE PUBLIC ENTITY |
|---|---|---|---|---|
| 6. South African Revenue Service* | Efficient and effective collection of revenue | 15 409 637 | 15 409 637 | Refer to General information: Public entities reporting to the minister |

## 5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

| NAME OF TRANSFEREE | TYPE OF ORGANISATION | PURPOSE FOR WHICH THE FUNDS WERE USED | DID THE DEPARTMENT COMPLY WITH S 38 (1) (J) OF THE PFMA? | AMOUNT TRANSFERRED (R'000) | AMOUNT SPENT BY THE TRANSFEREE (R'000) | REASONS FOR THE FUNDS UNSPENT BY THE TRANSFEREE |
|---|---|---|---|---|---|---|
| 8. African Regional Technical Assistance Centre | Foreign and international organisation | Provide technical assistance and cooperation in core macroeconomic and financial management | Yes | 948 | 948 | Not applicable |
| 9. Common Monetary Area Compensation | Foreign and international organisation | To compensate the contracting parties of the Multilateral Monetary Agreement for the amount of rand currency in circulation | Yes | 1 078 560 | 1 078 560 | Not applicable |
| 10. International Finance Facility for Immunisation – donations and gifts | Foreign and international organisation | Support health care, particularly the provision of vaccines to reduce the number of vaccine-preventable deaths among children in low-income countries | Yes | 15 939 | 15 939 | Not applicable |
| 11. Institute for Development and Economic Planning | Foreign and international organisation | Improve public sector management and development planning in support of member states' structural transformation | Yes | 1 516 | 1 516 | Not applicable |
| 12. African Development Bank and Fund | Foreign and international organisation | Provide financial and capacity-building support to low-income countries that are members of the AfDB and the World Bank | Yes | 106 667 | 106 667 | Not applicable |
| 13. Collaborative African Budget Reform Initiative | Foreign and international organisation | Provide capacity building in Africa's financial sector management, budget reform and governance through South Africa's contribution | Yes | 2 668 | 2 668 | Not applicable |
| 14. Commonwealth | Foreign and international organisation | Provide support for common secretarial goals and programmes on an annual basis | Yes | 6 635 | 6 635 | Not applicable |

# 05 TRANSFER PAYMENTS

| NAME OF TRANSFEREE | TYPE OF ORGANISATION | PURPOSE FOR WHICH THE FUNDS WERE USED | DID THE DEPARTMENT COMPLY WITH S 38 (1) (J) OF THE PFMA? | AMOUNT TRANSFERRED (R'000) | AMOUNT SPENT BY THE TRANSFEREE (R'000) | REASONS FOR THE FUNDS UNSPENT BY THE TRANSFEREE |
|---|---|---|---|---|---|---|
| Fund for Technical Cooperation | | | | | | |
| 15. United Kingdom Tax | Foreign and international organisation | These are members locally recruited and appointed or deemed to have been appointed under section 1 of the Diplomatic Mission in United Kingdom Service Act (1961) | Yes | 249 | 249 | Not applicable |
| 16. World Bank | Foreign and international organisation | Provide concessional loans and grants to low-income countries | Yes | 66 340 | 66 340 | Not applicable |
| 17. New Development Bank Project Preparation Fund | Foreign and international organisation | Provide project support to the New Development Bank regional office | Yes | - | - | Not applicable |
| 18. Financial Intermediary Fund | Foreign and international organisation | Support low-income countries and middle-income countries in preparing, preventing and responding to future pandemics | Yes | - | - | Not applicable |

# 6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The table below describes each of the conditional grants and earmarked funds paid by the department.

Conditional grant 1: UDFG – Urban Development Financing Grant

| DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY | |
|---|---|
| Purpose of the grant | • To promote spatially transformed cities with financially sustainable trading services that are able to meet their service delivery mandates<br>• To support metropolitan municipalities with resilient infrastructure investment, including programme and project preparation to enable them to leverage additional concessionary and commercial loan finance to enhance sustainable infrastructure investment |
| Expected outputs of the grant | • Increased annual investment by the Metro in renewal (rehabilitation and/or replacement) and expansion in municipal bulk, and distribution infrastructure for the three trading services<br>• Timebound operating investments to improve performance and management capacity of the three trading services<br>• The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events<br>• Enhanced municipal strategic competencies in investment targeting, implementation, and urban management<br>• Urban networks anchored by spatially targeted nodes, supported by robust investment plans and well-coordinated intergovernmental project pipelines.<br>• Increased number of credible catalytic programmes and projects that have successfully undergone the project preparation process. The prioritised projects in spatially targeted nodes should be prepared with the objective of implementation through a funding mix that includes alternative funding streams |

# 06 CONDITIONAL GRANTS

| | |
|---|---|
| Actual outputs achieved | • 28 x catalytic projects approved.<br>• 1 investment plan approved.<br>• 3 project preparation reports supported.<br>• 8 PEP business plan approved.<br>• 8 PPPS work plan approved.<br>• MTS Component: Performance awards to 6 Metros based on IVA-verified performance by 30 June 2025.<br>• 2 municipal infrastructure projects funded through the BFI, namely eThekwini's NRW reduction project and the City of Johannesburg's AWTT PPP project. |
| Amount per amended DoRA | *R3,091 billion* |
| Amount received | *R3,091 billion* |
| Reasons if amount as per DoRA not received | *Not applicable* |
| Amount spent by the department/ municipality | *R3,091 billion* |
| Reasons for the funds unspent by the entity | *Not applicable* |
| Reasons for deviations on performance | *The adjusted Gazette submitted was not approved by the Minister of Finance. At the time of non-approval, adjusted and remaining funds for the year was already transferred to the metros. As a result, adjusted funds were transferred to the metros.* |
| Measures taken to improve performance | *Letters to request them to pay back transferred funds in error were sent out. Metros are expected to pay back over transferred funds, or the funds will be deducted from their next equitable shares transfers* |
| Monitoring mechanism by the receiving department | *Metros were requested to submit proof of payment as soon as a payment is made.* |

Conditional grant 2: Infrastructure Skills Development Grant

| DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY | |
|---|---|
| Purpose of the grant | To recruit unemployed graduates into municipalities, to be trained and professionally registered with the relevant statutory councils, within the built environment. |
| Expected outputs of the grant | • Number of built environment graduates in training and registered as candidates for professional registration, with the relevant statutory councils.<br>• Number of graduates registered as professionals by the relevant statutory councils.<br>• Number of graduates employed as registered professionals within the built environment in local government. |
| Actual outputs achieved | • During the reporting period, 376 graduates were in-training.<br>• From 2012/13 to 2025/26, a cumulative total of 552 graduates have successfully completed training and are registered as professionals. The cumulative output is reflected as recruitment is not conducted on an annual basis as it is a three-year graduate training programme. Graduates exit the programme on completing all the requirements and competencies of the respective statutory councils for professional registration.<br>• From 2012/13 to 2025/26, 401 graduates have been permanently employed within municipalities and across other sectors. |
| Amount per amended DoRA | R172,7 million |
| Amount received | R172,7million |
| Reasons if amount as per DoRA not received | Not applicable |
| Amount spent by the department/ municipality | • R172,7 million was transferred to Infrastructure Skills Development Grant (ISDG) participating municipalities.<br>• Municipalities spent R107,8 million out of the allocated amount of R172,7 million. |
| Reasons for the funds unspent by the entity | Spending is according to plan |
| Reasons for deviations on performance | Not applicable |

# 06 CONDITIONAL GRANTS

| DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY | |
|---|---|
| Measures taken to improve performance | Municipalities to increase number of graduates recruited. Graduates will be enrolled to attend the relevant courses and training |
| Monitoring mechanism by the receiving department | • Municipalities submit monthly, quarterly, and annual reports reflecting their financial and non-financial performance.<br>• The National Treasury hosts ISDG workshops with municipalities to discuss ISDG progress and continuously provide support and guidance towards the implementation of ISDG.<br>• A 15 Year review report is being developed for publication |

Conditional grant 3: Neighbourhood Development Partnership Grant

| DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY | |
|---|---|
| Purpose of the grant | To plan, catalyse, and invest in targeted locations to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life and access to opportunities for residents in South Africa's targeted locations, underserved neighbourhoods (generally townships and rural towns). |
| Expected outputs of the grant | • Thirty catalytic projects.<br>• Three investment plans. |
| Actual outputs achieved | • 28 x catalytic projects approved.<br>• 3 investment plans approved.<br>• 1 project preparation report supported.<br>• 10 PPPS work plan approved. |
| Amount per amended DORA | Schedule 5B: R 542,397 million, Schedule 6B: R99,14 million |
| Amount received (R'000) | Schedule 5B: R 542,397 million; Schedule 6B R 99,14 million. |
| Reasons if amount as per DoRA not received | Not applicable. |
| Amount spent by the department/ municipality | • Schedule 5B: R 542,397 million<br>• Schedule 6B: R 64,495 million |
| Reasons for the funds unspent by the entity | For Schedule 6B, R 34,645 million was unspent because of delays in work deliverables in some of the participating municipalities. These unspent funds were requested for rollover from the CFO to payoff open contracts as the grant has been closed down. |
| Reasons for deviations on performance | Over-performance is attributed to the multi-year project pipeline being approved to ensure project continuity and alignment with multi-year planned project cash flows reflected in MTEF budgets.<br><br>*For Schedule 5B, the adjusted Gazette submitted was not approved by the Minister of Finance. At the time of non-approval, adjusted and remaining funds for the year was already transferred to the no-metro municipalities. As a result, adjusted funds were transferred to the non- metro municipalities.* |
| Measures taken to improve performance | Application of the baseline management process based on cash flows and work plans and associated timelines, including support for alignment. |
| Monitoring mechanism by the receiving department | Actual spend measured against baseline management cash flows, PEP business and implementation plans, investment planning review sessions and work plans. For Schedule 5B, *a meeting is going to be held with the DDG to decide if over* |

# 06 CONDITIONAL GRANTS

| DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY | |
|---|---|
| | *transferred funds must be paid back or not. Reason for this is that the grant is closing down in the next 3 years and only committed projects are currently being funded to completion.* |

Conditional grant 4: Local government financial management grant

| | |
|---|---|
| **Department/Municipality that transferred the grant** | • National Treasury |
| **Purpose of the grant** | • Promote and support reforms in financial management by building capacity in municipalities towards implementing the MFMA |
| **Expected outputs of the grant** | • Implement the graduate internship programme, upgrade reporting systems, implement asset management reforms and accounting standards, prepare financial statements, and develop audit action plans to improve outcomes and the financial management capability majority model |
| **Actual outputs achieved** | • Funds were transferred to 257 municipalities |
| **Amount per amended DORA** | • R589.685 million |
| **Amount transferred (R'000)** | • R589.685 million |
| **Reasons if amount as per DORA not transferred** | • Not applicable |
| **Amount spent by the department/ municipality (R'000)** | • R589.685 million was transferred to municipalities.<br>• Municipalities spent R335.869 million |
| **Reasons for the funds unspent by the entity** | • The municipal financial year begins in July and ends in June, which is different from the national financial year (April to March). As such, for 2025/26, municipalities have three additional months (April, May and June) to spend grant funds.<br>• Municipalities' cash flow projections indicate that the bulk of the funds will be spent between April and June. |
| **Reasons for deviations on performance** | • Not applicable |
| **Measures taken to improve performance** | • Not applicable |
| **Monitoring mechanism by the transferring department** | • Municipalities are required to submit support plans prior to the commencement of their financial year. The plan entails priority areas for the use of the grant. Thereafter, municipalities are required to submit monthly and quarterly reports. |

## 6.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

No conditional grants and earmarked funds were received.

2025/26
National Treasury

# ANNUAL REPORT

## Vote 8

PART B

# PERFORMANCE INFORMATION

DONOR **FUNDS**

# 07 DONOR FUNDS

## 7.1 DONOR FUNDS RECEIVED

No donor funds for the period under review.

2025/26
National Treasury

# ANNUAL REPORT

## Vote 8

## PART B
## PERFORMANCE INFORMATION

CAPITAL **INVESTMENT**

# 08 CAPITAL INVESTMENT

No capital investment was incurred during the 2025/26 financial year.

# CAPITAL INVESTMENT 08

2025/26
National Treasury

# ANNUAL REPORT

## Vote 8

## PART C
## GOVERNANCE

CAPITAL **INVESTMENT**

# INTRODUCTION 01

The National Treasury remains firmly committed to continuously strengthen compliance, manage risks and, through performance and conformance, practice good governance. This is fundamental to managing public finances, ensuring that the organisation uses its resources effectively, efficiently and with optimal value for money, as well as adopting an accessible, service-centered and solutions-orientated approach to delivering on its mandate.

# 02 RISK MANAGEMENT

The National Treasury recognises that effective risk management is fundamental to achieving its mandate and delivering value to all stakeholders. As part of its commitment to continuous improvement, efforts were undertaken to enhance the maturity of risk management practices across the organisation. Risk management is embedded in the strategic planning process to support performance management in the department. Integration of risk management with additional assurance activities has strengthened governance, accountability and transparency resulting in risk-informed decision-making at all levels. The annual risk management plan was delivered through facilitating risk assessments at operational and strategic levels, enhancing a culture of good governance and ethics through advocacy and providing oversight by the Audit and Risk Committee.

Compliance management has been integrated into risk assessment and monitoring processes to encourage adherence to legal obligations, mitigate against adverse penalties and support a holistic approach to governance.

**Business Continuity Management**

The Department implemented the business continuity strategy which introduces measures designed to enhance organisational resilience. Implementation against the business continuity strategy is reported to the Accounting Officer biannually. The NT implements measures such hybrid working and virtual private network to minimise impact of disruptions on operations and build organisational resilience.

# FRAUD AND CORRUPTION 03

The NT manages the risk of fraud and corruption in the workplace through implementation preventative and detective controls to manage the risk of corruption in the workplace. These measures include maintaining the anti-corruption and ethics risk register current and updated with emerging risks, managing applications for remunerative work outside the public service, management of gifts received in the scope of employment and support to staff on disclosure of financial interest. Conflict of interest is managed through declarations and recusals from procurement processes, recruitment, and other decision-making structures. Investigations are conducted on matters reported though the NT internal whistleblowing channels. A robust awareness programme that ranges from webinars, workshops, emailers, and advisories is rolled out to create a hostile environment to would-be perpetrators.

# 04 CONFLICT OF INTEREST

The NT implements various measures to manage the risk of conflict of interest in the workplace. Amongst these is the implementation of the financial disclosure framework. For the reporting period, members of the Senior Management Service (SMS) recorded a 100% submission rate on disclosures of financial interest. These disclosures are submitted to the Public Service Commission to conduct verifications. Findings from such verifications are addressed through the appointed Ethics Officers. Only 2 officials in the Assistant Director category of designated employees did not disclose their financial interest in time. Training has been provided to upskill relevant officials in conducting verification on disclosures submitted and investigations of identified red flags. Services that support the enhancement of the departmental lifestyle review and investigations processes were secured in the reporting period.

Measures that prohibit officials from conducting business with organs of state are in place. Analysis of information drawn from the government payroll system (PERSAL) and Central Supplier Database (CSD) identified potential conflict of interest and officials are engaged to remove such conflicts. Processes relating to gifts, donations and sponsorships to NT staff are continuously improved upon to manage any real, perceived or potential conflict of interest. The NT implement prevailing prescripts in managing requests to perform other remunerative work by NT staff. Failure to adhere to these ethical requirements is corrected using internal disciplinary processes.

Awareness on conflict of interest is rolled out to all staff through multiple communication channels. Ethics advisories are issued on request on a range of matters that include but are not limited to management of conflict of interest.

# CODE OF CONDUCT 05

The Code of Conduct "the Code" for the public service details expectations of National Treasury officials. The primary purpose of the Code is to promote exemplary conduct by employees with particular focus on; adherence to the Constitution and other laws; relationship with the public; ethical conduct; and performance of official duties. To reinforce adherence to the Code, the department provides continuous training and initiates awareness-raising activities through induction and capacity building sessions. During the 2025/26 period, induction on the Code for 52 NT officials was conducted. Contravening the code is an act of misconduct and disciplinary steps, in terms of the disciplinary code of procedures for the public service (Public Service Coordinating Bargaining Council resolution 1 of 2003) and chapter 7 of the SMS Handbook, are taken against officials found to be in breach.

# 06 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The department's Security Services and Facilities Management provide measures to ensure that it is compliant with occupational health and safety (OHS) requirements. During the reporting period, the Safety, Health, Environment, Risk and Quality Committee convened on a quarterly basis to ensure that the National Treasury monitors compliance with the Occupational Health and Safety Act (1993) and its regulations. The last meeting for the reporting period was on 31 March 2026.

A total of ten (10) Occupational Health and Safety Committees members were trained in SHE Representative training during the third and fourth quarters of the 2025/26 financial year.

# VETTING 07

SM continued to conduct vetting of employees at an appropriate level depending on the level of access to sensitive state information. The level of compliance with the vetting prescripts is 99%.

During this reporting period, SM conducted personnel suitability checks on all prospective candidates to ensure that the NT recruits and retains personnel who are security competent. Furthermore, Service Providers that rendered services on behalf of the National Treasury and GTAC were screened.

In conjunction with law-enforcement agencies, stringent security measures were implemented in safeguarding the G20 Ministerial and working groups meetings, national budget information, including the Budget Speech and Medium-Term Budget Policy Statement.

# 08 PORTFOLIO COMMITTEES

## PARLIAMENTARY COMMITTEES

### Standing Committee on Finance

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 21 May 2025 | Closed Budget lock-up | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |
| 23 May 2025 | 2025 Budget (fiscal framework and revenue proposals): Ministry of Finance and National Treasury briefing | |
| 27 May 2025 | 2025 Budget: FFC and PBO briefing | |
| 28 May 2025 | 2025 Budget (fiscal framework and revenue proposals): Public hearings | |
| 30 May 2025 | 2025 Budget (fiscal framework and revenue proposals): National Treasury and SARS response to public submissions | |
| 03 Jun 2025 | 2025 fiscal framework and revenue proposals: Committee reports (NA and NCOP) | |
| 04 Jun 2025 | 2025 fiscal framework and revenue proposals: Committee reports (NA and NCOP), with Minister | |
| 17 Jun 2025 | National Treasury, ASB, FAIS Ombud, Ombud Council, PFA, FIC, FSCA and DBSA 2025/26 annual performance plans (with Deputy Minister) | |
| 18 Jun 2025 | SARS, Office of the Tax Ombud, PIC, SASRIA, IRBA, GPAA, GTAC and Land Bank 2025/26 annual performance plans (with Deputy Minister) | |
| 01 Jul 2025 | National Treasury Budget vote report | |
| 02 Jul 2025 | South African Reserve Bank Amendment Bill: Public hearings | |
| 08 Jul 2025 | Revenue Laws Amendment Bill: National Treasury and SARS response to public submissions | |
| 16 Jul 2025 | Revenue Laws Amendment Bill: Finalisation and committee report | |
| 02 Sep 2025 | Committee strategic planning workshop and Treasury legislative programme | |
| 03 Sep 2025 | Committee strategic planning workshop | |
| 17 Sep 2025 | Committee strategic plan and annual performance plan | |
| 17 Sep 2025 | Draft Tax Bills: National Treasury and SARS briefing | |
| 21 Oct 2025 | Rates Bill: Public hearings | |
| 22 Oct 2025 | Rates Bill: Public hearings | |
| 28 Oct 2025 | National Treasury portfolio audit outcomes; National Treasury and SARS 2024/25 annual reports (with Minister) | |

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 29 Oct 2025 | Office of the Tax Ombud, FAIS Ombud, Ombud Council, IRBA, FIC and DBSA 2024/25 annual reports (with Deputy Ministers) | |
| 29 Oct 2025 | FFC 2024/25 Annual Report | |
| 31 Oct 2025 | Pension Funds Adjudicator, SASRIA and GTAC 2024/25 annual reports (with Deputy Minister) | |
| 04 Nov 2025 | Rates Bill and draft Tax Bills: National Treasury and SARS response to public submissions | |
| 07 Nov 2025 | PFA, SASRIA, ASB, PIC, Land Bank and GTAC 2024/25 annual reports (continued), with Deputy Ministers | |
| 11 Nov 2025 | Treasury Budgetary Review and Recommendation Report | |
| 12 Nov 2025 | MTBPS lock-up | |
| 14 Nov 2025 | 2025 MTBPS: National Treasury briefing (with Ministry) | |
| 18 Nov 2025 | 2025 MTBPS: PBO and FFC briefing | |
| 19 Nov 2025 | Public hearings on the revised and proposed fiscal framework (MTBPS) | |
| 21 Nov 2025 | MTBPS (revised and proposed fiscal framework): National Treasury and SARS response to public submissions | |
| 25 Nov 2025 | Consideration of the draft committee report on the revised and proposed fiscal framework (with Deputy Minister) | |
| 26 Nov 2025 | Committee report on the revised and proposed fiscal framework | |
| 02 Dec 2025 | Tax Bills: National Treasury and SARS response to public submissions | |
| 03 Dec 2025 | Rates Bill and Tax Bills: Consideration and adoption | |
| 05 Dec 2025 | Meeting with PIC on current developments | |
| 25 Feb 2026 | 2026 Budget lock-up | |
| 27 Feb 2026 | 2026 Budget: Fiscal framework and revenue proposals (with Ministry) | |
| 03 Mar 2026 | 2026 Budget: PBO and FFC briefing | |
| 10 Mar 2026 | 2026 Budget: Fiscal framework and revenue proposal public hearings | |
| 11 Mar 2026 | GPAA and GEPF 2024/25 annual reports (with Minister) | |
| 13 Mar 2026 | 2026 Budget (fiscal framework and revenue proposals): National Treasury and SARS response to public submissions (with Ministry) | |

# 08 PORTFOLIO COMMITTEES

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 17 Mar 2026 | Consideration of draft committee report: 2026 Budget (fiscal framework and revenue proposals) | |
| 18 Mar 2026 | 2026 Budget (fiscal framework and revenue proposals): Committee report | |
| 24 Mar 2026 | Land Bank and PIC audit findings and action plans (with Deputy Minister) | |
| 25 Mar 2026 | Engagement with FSCA on outstanding matters referred to the committee by individuals | |
| 31 Mar 2026 | Committee oversight visit reports to SARB, the FSCA and ports of entry | |

## Select Committee on Finance

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 08 Apr 2025 | Eastern Cape and Northwest 2023/24 performance: AGSA and Treasury briefing | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |
| 15 Apr 2025 | Provincial treasury performance: AGSA briefing | |
| 08 Jul 2025 | Eastern Cape and Northern Cape Provincial Treasuries' quarterly reports and performance | |
| 15 Jul 2025 | Western Cape Provincial Treasury's quarterly report and performance | |
| 22 Jul 2025 | Gauteng and Free State Provincial Treasuries' quarterly report and performance | |
| 02 Sep 2025 | Revenue Laws Amendment Bill: National Treasury briefing | |
| 09 Sep 2025 | Revenue Laws Amendment Bill: Public hearings and National Treasury response | |
| 16 Sep 2025 | Revenue Laws Amendment Bill: Committee report (finalisation) | |
| 07 Oct 2025 | Committee report on the economic and budget performance of provincial departments | |
| 14 Oct 2025 | SARB 2024/25 Annual Report (including capacity building) | |
| 04 Nov 2025 | Northwest oversight report | |
| 23 Feb 2026 | Rates Bill and Tax Bills: Finalisation and committee reports | |
| 17 Feb 2026 | Rates Bill and Tax Bills: Briefing from the National Treasury and SARS, and stakeholder comments | |

## Standing Committee on Appropriations

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 01 Apr 2025 | Division of Revenue Bill: Provincial public hearings | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |
| 04 Apr 2025 | Division of Revenue Bill: Public hearings | |
| 22 Apr 2025 | Division of Revenue Bill: Motion of desirability and committee report (adoption of report postponed) | |
| 23 Apr 2025 | Appropriation Bill and Eskom Debt Relief Amendment Bill: National Treasury briefing; unfunded mandates in local government | |
| 13 May 2025 | Capacity-building workshop with academics and experts: "Budget process and alternative ways to grow the economy in South Africa" | |
| 14 May 2025 | Medium-term development plan: DPME briefing (with Deputy Minister) | |
| 28 May 2025 | Division of Revenue Bill, Appropriation Bill, Public Sector Bill: National Treasury briefing and National Treasury Q4 performance (with Deputy Minister) | |
| 30 May 2025 | Division of Revenue Bill, Appropriation Bill, Eskom Debt Relief Amendment Bill, Public Sector Pension Bill: PBO briefing | |
| 03 Jun 2025 | Division of Revenue Bill, Appropriation Bill, Public Sector Pension Bill and Eskom Debt Relief Amendment Bill: FFC briefing | |
| 04 Jun 2025 | 2025 Division of Revenue Bill: SALGA submission | |
| 10 Jun 2025 | Eskom Debt Relief Amendment Bill: Eskom briefing | |
| 11 Jun 2025 | Division of Revenue Bill: Mangaung metropolitan municipality briefing | |
| 13 Jun 2025 | Division of Revenue Bill and Public Sector Pension Bill: Public hearings | |
| 24 Jun 2025 | Appropriation Bill: Department of Transport briefing | |
| 25 Jun 2025 | Appropriation Bill: DTIC and IDC briefing | |
| 02 Jul 2025 | Eskom Debt Relief Amendment Bill and Appropriation Bill: Public hearings | |
| 08 Jul 2025 | Appropriation Bill: DSD briefing (with Minister) | |
| 15 Jul 2025 | Eskom Debt Amendment Relief Bill (finalisation); consideration of Appropriation Bill | |
| 17 Jul 2025 | Portfolio Committee on Home Affairs on the underfunding of the Border Management Authority (with Deputy Minister) | |
| 18 Jul 2025 | Appropriation Bill: Finalisation | |
| 22 Jul 2025 | Consideration and adoption of committee minutes | |
| 02-03 Sep 2025 | Committee strategic planning workshop | |
| 10 Sep 2025 | National Treasury on 2025/26 Q1 performance, debt management strategy, economic growth, SOE performance and Jobs Fund | |
| 16 Sep 2025 | DSD briefing on conditions set by the National Treasury and the disbursement of grants by SASSA | |

# 08 PORTFOLIO COMMITTEES

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 07 Oct 2025 | Committee programme and minutes | |
| 08 Oct 2025 | FFC comments on 2026 Division of Revenue Bill; National Treasury briefing on government Q1 expenditure performance (with Minister) | |
| 21 Oct 2025 | NSFAS on tuition and student accommodation | |
| 28 Oct 2025 | NHI funding models; bridge plan funding to sustain HIV prevention and treatment; filling critical vacancies (with Ministry) | |
| 29 Oct 2025 | Substantive funding models for key DCDT key entities; DCDT spending review and impact of underfunding | |
| 05 Nov 2025 | Public Service Commission on the Public Service Wage Bill and strategies to help build a capable state | |
| 11 Nov 2025 | Pre-MTBPS workshop by the Parliamentary Budget Office | |
| 19 Nov 2025 | DCDT fiscal environment and an update on its entities (with Minister) | |
| 25 Nov 2025 | Division of Revenue Bill and Special Appropriation Bill: SALGA and FFC briefing | |
| 26 Nov 2025 | Division of Revenue Bill, Adjustments Appropriation Bill and Special Appropriation Bill: NT and PBO briefing | |
| 28 Nov 2025 | Division of Revenue Amendment Bill: Public hearings | |
| 02 Dec 2025 | Division of Revenue Amendment Bill (finalisation): Committee reports | |
| 08 Dec 2025 | Adjustment Appropriation Bill and Special Appropriation Bill: Public hearings | |
| 18 Dec 2025 | MTBPS, Adjustments Appropriation Bill and Special Appropriation Bill: Committee reports | |
| 24 Feb 2026 | PBO pre-budget briefing | |
| 04 Mar 2026 | Division of Revenue Bill and Appropriation Bill: National Treasury briefing | |
| 06 Mar 2026 | Briefing by FFC and Parliamentary Budget Office on the Special Appropriation Bill and Division of Revenue Bill | |
| 10 Mar 2026 | Division of Revenue Bill: SALGA briefing | |
| 11 Mar 2026 | Division of Revenue Bill and Special Appropriation Bill: DBE and Department of Transport input (with DBE Ministry) | |
| 17 Mar 2026 | Division of Revenue Bill and Special Appropriation Bill: Public hearings | |
| 24 Mar 2026 | Eskom Relief Debt Programme and compliance with committee conditions | |
| 27 Mar 2026 | Consideration and adoption of draft report on the 2026 Division of Revenue Bill | |
| 31 Mar 2026 | National Treasury Q3 2025 expenditure report; use of the Contingency Fund for infrastructure repair as a result of disasters | |

## Select Committee on Appropriations

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 02 Apr 2025 | Division of Revenue Bill, Appropriation Bill and Eskom Debt Relief Amendment Bill: SALGA and FFC input | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |
| 09 Apr 2025 | Division of Revenue Bill, Appropriation Bill and Eskom Debt Relief Amendment Bill: PBO briefing | |
| 16 Apr 2025 | Division of Revenue Bill, Appropriation Bill and Eskom Debt Relief Amendment Bill: Public hearings | |
| 14 May 2025 | Second Term programme; committee five-year strategic plan | |
| 11 Jun 2025 | Division of Revenue Bill, Appropriation Bill and Public Sector Pension Bill: National Treasury briefing (with Deputy Minister) | |
| 17 Jun 2025 | Division of Revenue Bill, Appropriation Bill and Public Sector Pension and Related Payments Bill: PBO briefing | |
| 18 Jun 2025 | Division of Revenue Bill, Appropriation Bill and Public Sector Pension Bill: FFC briefing | |
| 24 Jun 2025 | Division of Revenue Bill: SALGA input | |
| 25 Jun 2025 | Division of Revenue Bill, Appropriation Bill and Public Sector Pension Bill: Public hearings | |
| 09 Jul 2025 | Division of Revenue Bill: National Treasury response to public comments and negotiating mandates; finalisation of Public Sector Pension and Related Payments Bill | |
| 16 Jul 2025 | Final mandates and finalisation of 2025 Division of Revenue Bill | |
| 29 Jul 2025 | Appropriation Bill and Eskom Debt Relief Amendment Bill: Finalisation and committee reports | |
| 03 Sep 2025 | MTBPS workshop | |
| 10 Sep 2025 | Briefing by FFC on the submission on division of revenue for 2026/27 | |
| 08 Oct 2025 | Special Appropriation Bill and municipal finance brief Q3 2024/25: PBO briefing | |
| 15 Oct 2025 | Conditional grants review reforms; Special Appropriation Bill: National Treasury briefing | |
| 29 Oct 2025 | Infrastructure and capacity-building municipal conditional grants: PBO briefing | |
| 05 Nov 2025 | Special Appropriation Bill: Public hearing and FFC briefing | |
| 26 Nov 2025 | Division of Revenue Amendment Bill and Adjustments Appropriation Bill: National Treasury and FFC briefing | |

# 08 PORTFOLIO COMMITTEES

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 28 Nov 2025 | Division of Revenue Amendment Bill and Adjustments Appropriation Bill: SALGA and PBO input | |
| 03 Dec 2025 | Public hearings on the 2025 Division of Revenue Amendment Bill and 2025 Adjustments Appropriation Bill | |
| 5 Dec 2025 | Division of Revenue Amendment Bill: Final mandates and committee report | |
| 09 Dec 2025 | Division of Revenue Amendment Bill: Negotiating mandates | |
| 10 Dec 2025 | Special Appropriation Bill: National Treasury and DoH response to public submissions | |
| 11 Dec 2025 | Division of Revenue Amendment Bill: National Treasury response to public submissions and negotiating mandates | |
| 14 Jan 2026 | Special Appropriation Bill; Adjustments Appropriation Bill: voting; division of revenue and conditional grant allocations | |
| 17 Mar 2026 | Briefing by National Treasury on the Division of Revenue Bill (with Deputy Minister) | |
| 18 Mar 2026 | 2026 Division Revenue Bill and 2026/27 Special Appropriation Bill: Briefing by PBO | |
| 24 Mar 2026 | Division of Revenue Bill: FFC and SALGA briefing | |
| 25 Mar 2026 | Division of Revenue Bill: Public hearings | |

## Standing Committee on Public Accounts

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 16 July 2025 | Follow-up: PIC unlisted investments (with Deputy Minister) | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |
| 08 Oct 2025 | RAF inquiry; AGSA; Office of the Chief Procurement Office; and Office of Accountant-General | |

## Portfolio Committee on Public Service and Administration

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 17 Sept 2025 | Elimination of ghost workers in the public service | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |

## Portfolio Committee on Defence and Military Veterans

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 05 Nov 2025 | DoD and National Treasury on the way forward to address historic overexpenditure on compensation of employees and related matters | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |
| 02 April 2025 | National Treasury engagement on the development of a new human resource strategy for force rejuvenation | |

# 08 PORTFOLIO COMMITTEES

## Portfolio Committee on Water and Sanitation

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 16 Sept 2025 | Equitable share withholding intervention from defaulting municipalities: National Treasury and DWS (with Deputy Minister) | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |

## Standing Committee on Women, Youth and Persons with Disabilities

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 17 June 2025 | National Treasury on gender-responsive budgets | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |

## Portfolio Committee on Planning, Monitoring and Evaluation

| DATE | TOPIC | NATIONAL TREASURY ADDRESS THE MATTERS RAISED |
|---|---|---|
| 09 July 2025 | National Treasury and FFC briefing on National State Enterprises Bill | Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records are available from the committee secretariat or on request from the National Treasury |

# SCOPA RESOLUTIONS 09

No SCOPA resolutions were adopted in 2025/26.

# 10 PRIOR MODIFICATIONS TO AUDIT REPORTS

The department obtained an unqualified audit opinion with no material misstatements for 2025/26. To address prior-year audit findings, an audit action plan has been developed, which will be monitored by the Internal Audit chief directorate through the external audit findings register. The goal is to ensure that audit findings raised by external auditors are adequately addressed and assess whether the internal control measures implemented to prevent these findings from recurring are effective.

The external audit findings register will be presented to the quarterly Audit Committee, which will hold managers accountable to the audit findings action plan, particularly in relation to audit findings for which deadliness for resolution have not yet been met. This is to ensure adequate follow-through and the finalisation of corrective measures within the agreed timeframes.

| NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NONCOMPLIANCE | FINANCIAL YEAR IN WHICH IT FIRST AROSE | PROGRESS MADE IN CLEARING/RESOLVING THE MATTER |
|---|---|---|
| N/A | N/A | N/A |

# 11 INTERNAL CONTROL UNIT

The department maintains systems of internal control to mitigate identified risks, ensure the integrity of its core activities of public finance management, and transfer funds and payments for financial assets, including the safeguarding of its assets. The National Treasury's organisational structure and division of responsibilities, as well as established policies and procedures, are communicated throughout the department. During the reporting period, the Internal Control unit continued to coordinate control activities to promote departmental efficiency and reduce the likelihood and impact of identified risks. It produced reliable financial statements that complied with legislation.

Significant strides were made in ensuring compliance with laws and regulations. This was done by continually implementing preventative, investigative and corrective internal control measures to address and report cases of noncompliance and deviations from the department's normal processes and procedures. The unit also coordinated the departmental audit process.

The unit conducted contract management reviews, which helped to identify any possible noncompliance with SCM legislation or internal departmental policies. It randomly checked payment batches to ensure that payments were in accordance with prescripts and improved standards of financial administration. The unit will continue to improve its processes to achieve better control operations.

# 12 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing is an independent and objective assurance and consulting activity that provides value-added support to improve the operations within the National Treasury. The Internal Audit chief directorate provides shared services to the National Treasury, GTAC, the ASB and the IRBA. It helps these organisations to accomplish their objectives by bringing a systematic and disciplined risk-based approach to evaluate and improve the effectiveness of governance, risk management and internal controls.

Internal Audit implemented its annual risk-based audit plan for 2025/26 as part of a three-year rolling plan, after consultation with management and approval by the National Treasury's Audit Committee. Twenty-five audits were approved and planned for in the revised audit plan for 2025/26, all of which were completed. Ten ad hoc audits were conducted and reported on. All audits and other work of the Internal Audit function were conducted in accordance with international standards, as issued by the Institute of Internal Auditors.

The Audit Committee is established as a statutory committee in terms of section 38(1)(a)(ii) and section 77 of the PFMA and Treasury regulations. The committee performs an oversight and advisory role and is accountable to the accounting officer, executive authority and the public to properly consider and evaluate all matters as per its terms of reference. The committee assists the executive authority in fulfilling its oversight responsibilities and the accounting officer in fulfilling executive duties regarding the financial reporting process, the management of risk, the system of internal control, the audit process, and the department's process for monitoring compliance with laws, regulations and codes of conduct. The committee also has a primary responsibility to the public to form an opinion on the effectiveness of those issues in its ambit and communicates this in the annual report in terms of Treasury regulations.

# AUDIT COMMITTEE REPORT 13

We are pleased to present our report for the financial year ended 31 March 2026.

## Legislative requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2026, as required by Treasury Regulation 3.1.13 read with section 77 of the PFMA.

## Membership and attendance

The following meetings were held in 2025/26:

| # | MEETING | MEETING DATE | NUMBER OF MEMBERS ATTENDED |
|---|---|---|---|
| 1 | National Treasury Special AC Meeting to discuss AFS and APR | 29 May 2025 | 3 |
| 2 | National Treasury Special AC to discuss AGSA Management and Audit Report | 29 July 2025 | 4 |
| 3 | National Treasury Audit Committee Meeting - Quarter 4 | 14 August 2025 | 4 |
| 4 | National Treasury Audit and Risk Committee Meeting - Quarter 1 | 02 October 2025 | 3 |
| 5 | National Treasury Special Audit Committee Meeting to Discuss Consolidations, NFR's, and RDP | 30 October 2025 | 3 |
| 6 | National Treasury Special Audit Committee Meeting to Discuss Consolidations, NFR's, and RDP | 27 November 2025 | 4 |
| 7 | National Treasury Audit and Risk Committee Meeting - Quarter 2 | 04 December 2025 | 4 |

# 13 AUDIT COMMITTEE REPORT

The members, their qualifications and record of their attendance are as follows:

| Name of member | Qualifications | Appointment: Term of office | | Number of meetings attended | Has the ac member declared private and business interests in every meeting? (yes/no) | Is the AC member an employee of an organ of state? (yes / no) | No. of other ACs that the member served on during the reporting period (whether in the public sector or not) | No. of other governance structures the member served on during the reporting period, e.g. boards, risk committee, it committee, etc, whether in this or any other institution(s) |
|---|---|---|---|---|---|---|---|---|
| | | Start date | End date | | | | | |
| Ms Pumla Mzizi CA(SA) | BCom Honours in Transport Economics<br>CA (SA)<br>BCompt Honours<br>CTA<br>BBusSci Finance Honours | 1 October 2018 | 24 May 2031 | 7 | Yes | No | 5 | 2 |
| Mr Freddy Sinthumule | Diploma in Finance and Auditing<br>BCom Accounting<br>MBA with special project on PFMA | 1 July 2019 | 24 May 2031 | 7 | Yes | No | 2 | 2 |
| Mr M Geswint | B. Admin (Majors: Public Admin and Economics)<br>B. Admin (Hons) Economics | 24 May 2022 | - | 6 | Yes | Yes | 1 | 0 |
| Prof. DP vd Nest | B Com (Accountancy) (UP)<br>B Com Hons (UP)<br>M Com (UJ)<br>Doctor Technologies (Internal Audit) TUT | 24 May 2024 | 24 May 2031 | 7 | Yes | Yes | 5 | 1 |

The audit committee consists of four members. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills and experience. The committee convened eight times during the year with four being ordinary meetings and the remainder special meetings.

## Remuneration of Audit Committee members

- The rate for the 2025/26 financial year was R3 491 per hour.
- The Audit Committee members who are working for an organ of the state are not remunerated.
- The total expenditure for the period was R1, 182, 693.00.

## Audit Committee responsibilities

The Audit Committee has complied with its responsibilities arising from section 38(1) (a) (ii) of the PFMA and Treasury Regulation 3.1. The Audit Committee also adopted appropriate formal terms of reference as its Audit Committee charter, regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## Risk management

Management is responsible for the establishment and maintenance of an effective system of governance, risk management, the prevention and detection of fraud and the implementation of effective internal controls. Internal Audit was guided by the consolidated risk profile provided by the Enterprise Risk Management unit, key audit focus areas and management inputs in the formulation of its three-year strategic and annual plans. Internal Audit concluded, in terms of its review, that the National Treasury's enterprise risk management, fraud prevention strategy and ethics management processes require improvement.

## Internal Audit

The accounting officer is obliged, in terms of the PFMA, to ensure that the entity has a system of Internal Audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the Internal Audit function has properly discharged its functions and responsibilities during the year under review. The Audit Committee is satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of the internal audit activity and that, as determined during the external quality assessment review, a general conformance rating can be applied to the internal audit work and that the term "conforms with the international standards for the professional practice of internal auditing" may be used by the function.

The committee approved a risk-based, three-year rolling, strategic internal audit plan and an annual audit coverage plan for the period 1 April 2025 to 31 March 2026, covering the following key activities earmarked for completion in the 2025/26 audit cycle for the National Treasury:

# 13 AUDIT COMMITTEE REPORT

| TYPE | TOTAL PLANNED AUDITS | TOTAL AD-HOC AUDITS | COMPLETED AUDITS |
|---|---|---|---|
| Regularity audit | 10 | 3 | 13 |
| Performance audit | 9 | 0 | 9 |
| IT | 6 | 7 | 13 |
| ***Total audits*** | ***25*** | ***10*** | ***35*** |

## Effectiveness and internal controls

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their adequacy and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12. The reports of Internal Audit and the AGSA indicated that the system of internal control in areas pertaining to financial reporting, performance reporting and compliance with laws and regulations were substantially adequate and effective.

## Evaluation of the AFS and annual performance information

The committee evaluated the AFS and the APR for the year ended 31 March 2026 and duly recommended them for the accounting officer's approval prior to being submitted to the AGSA for audit. The Audit Committee has discussed the external audit outcomes to be included in the annual report with the AGSA and the accounting officer. The AGSA did not raise any material findings on the AFS and APR.

## Compliance with legal and regulatory provisions

The Audit Committee acknowledges that the AGSA did not raise any material findings on compliance with legislation.

## External audit

We have reviewed the department's implementation plan for audit issues raised in the previous year and based on our interaction with the department, AGSA and the internal audit reports, the committee is satisfied that substantial progress has been made in addressing the AGSA's findings. The Audit Committee concurs and accepts the conclusions of the AGSA on the annual financial statements, annual performance report and compliance with legislation and is of the opinion that the audited AFS and audited APR should be accepted and read together with the report of the AGSA. The Audit Committee commends the department on achieving an overall audit outcome of unqualified with no material findings.

## General

The Audit Committee notes that progress has been made in filling a number of critical vacancies.

## Appreciation

The Audit Committee congratulates management with the unqualified audit opinion without findings. We would like to express our appreciation to the Executive Authority, the Director-General Dr Duncan Pieterse, for his leadership and support, as well as the AGSA, Internal Audit and management for their commitment to good governance in the National Treasury.

**MS PUMLA MZIZI CA(SA)**
Chairperson of the Audit Committee
National Treasury
**Date**: 19 September 2026

# 14 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

| HAS THE DEPARTMENT/PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1-8) WITH REGARDS TO THE FOLLOWING: | | |
|---|---|---|
| **CRITERIA** | **RESPONSE YES / NO** | **DISCUSSION (INCLUDE A DISCUSSION ON YOUR RESPONSE AND INDICATE WHAT MEASURES HAVE BEEN TAKEN TO COMPLY)** |
| Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law? | No | N/A |
| Developing and implementing a preferential procurement policy? | Yes | N/A |
| Determining qualification criteria for the sale of SOEs? | No | N/A |
| Developing criteria for entering into partnerships with the private sector? | No | N/A |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE? | No | N/A |

# AUDIT COMMITTEE REPORT 13

2025/26
National Treasury

# ANNUAL REPORT

Vote 8



PART D

# HUMAN RESOURCES MANAGEMENT

# INTRODUCTION 01

The information contained in this part has been prescribed by the Minister for the Public Service and Administration for all government departments.

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## PART D
## GOVERNANCE

OVERVIEW OF **HUMAN RESOURCES**

## 2.1 STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

The vacancy rate at the National Treasury increased from 11.5 per cent in 2024/25 to 12.5 per cent in 2025/26. This was a result of the reprioritisation of service delivery needs and delays in finalising recruitment processes, and the impact of the directive from the Department of Public Service and Administration (DPSA) on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments. The turnover rate for 2025/26 was 6.4 per cent, as compared to 10 per cent in the previous year. Employee rotation and the placement of employees in acting higher positions ensures that the department has a diverse set of skills and builds a solid management pipeline. For the reporting period, 23 interns were recruited and 12 were appointed permanently while 6 were appointed on 1-year contract extensions. Given the limitations in terms of entry-level posts, a process of reviewing the organisational structure was completed under review. In addition, a process of aligning the interns' years of experience with the National Treasury's required minimum entry-level experience is being finalised. The department's retention framework has been developed to support the identification and retention of critical skills over the MTEF period.

Skills development within the National Treasury continues to be a key organisational priority. As the department generally attracts highly skilled employees with the required technical knowledge, the focus is on developing leadership and management skills, including behavioural and generic competencies over the short and medium terms, and allowing for these skills to mature and address the department's needs in the medium and long terms. This has been realised through the commissioning of Stellenbosch University to provide customised leadership and management development programmes for officials who occupy management positions from levels 9 to 16. These customised programmes seek to address the career progression of employees and ensure that there is a structured way of building a leadership pipeline for the department. Although emphasis is placed on these skills, human resource management (HRM) continues to support the technical and competency-related training needs of all employees across functional areas and echelons by supporting employees in their training needs aligned with individual development plans, as reflected in the training budget for employees.

## 2.2 HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW

The following were priorities during the reporting period:

- Talent attraction, acquisition and retention.
- Employee engagement and development.
- Human resources information management that ensures improved efficiency in HRM processes.
- Decision-making.

## 2.3 WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

Skills development remains a strategic priority for the National Treasury. While the department attracts technically skilled professionals, current efforts focus on enhancing leadership and management, as well as behavioural and generic competencies to meet evolving organisational needs over the short to long terms. In 2025/26, leadership and management development programmes were successfully implemented for first-line, middle and senior management. Stellenbosch University was commissioned to deliver customised training for officials at levels 9 to 16, supporting career progression and establishing a structured leadership pipeline. In collaboration with key stakeholders, the department further advanced leadership competencies. The Finance and Accounting Services Sector Education and Training Authority, through the International Women's Forum of South Africa and AGSA, facilitated targeted programmes for women managers. The partnership with Stellenbosch University was expected to continue for 2 more years under a 3-year contract.

## 2.4 EMPLOYEE PERFORMANCE MANAGEMENT

During the reporting period, the department's performance management system was enhanced through the revised performance management and development and probation policy, which encourages a culture of performance and has assisted in identifying underperformance that can be addressed through development programmes. In 2025/26, 96 per cent of senior management service (SMS) members entered into performance agreements. Those who did not sign

performance agreements with their line managers were not eligible for performance-related recognition or rewards. The 2025/26 contracting process was finalised with the uploading of performance agreements on the PERSAL system by 30 June 2025 and the 2024/25 performance moderation process was concluded in December 2025. Performance contracting for 2026/27 as well as performance assessments for 2025/26 commenced in April 2026 and will be effectively managed to ensure compliance with DPSA directives.

## 2.5 EMPLOYEE HEALTH AND WELLNESS PROGRAMME

The department's employee health and wellness programme encompasses physical, mental and emotional wellbeing with the aim of improving the lives of employees. By the end of the year, the department was in the process of procuring on-site primary healthcare services. This was expected to correspond with the relocation to its new offices. The SLA that was in place with the service provider in 2025/26 terminated on 31 March 2026. During the period under review, employees had access to psychosocial services, which were also accessible to their immediate families. Quarterly health screenings were coordinated and facilitated by the Government Employees Medical Scheme (GEMS), and request for quotations (RFQ) was issued to ensure the continued provision of health screening for all employees.

A total of 236 employees were screened as part of the employee health and wellness programme in 2025/26 compared to 259 in 2024/25. During the reporting period, GEMS provided 3 screening sessions and an RFQ was sent for the provision of health screening. The National Treasury uses an external service provider to provide psychosocial support for employees. In 2025/26, 402 employees and their families used these services compared to 375 in 2024/25. The National Treasury conducted a total of 8 employee wellness educational campaigns. Under the health and productivity pillar and the HIV/STI/TB management pillar, the employee health and wellness programme implemented a range of initiatives to address non-communicable and communicable diseases. These included: a disability rights awareness webinar aimed at fostering a culture of disability inclusion and encouraging disability disclosure within the department; the Casual Day campaign; a financial wellness webinar focused on debt counselling; Savings Month; World Heart Day; a cancer awareness campaign in partnership with the Cancer Association of South Africa; World AIDS Day; and 16 Days of Activism for No Violence Against Women and Children. All employee health and wellness compliance reports to the DPSA and the Department of Women, Youth and Persons with Disabilities were submitted, as per these departments' compliance schedule.

## 2.6 ACHIEVEMENT AND CHALLENGES FACED BY THE DEPARTMENT

### Achievements

The key priorities during the reporting period were to attract scarce and critical skills, improve human resources processes across the value chain, enhance accountability, improve efficiencies in the HRM chief directorate and strengthen employee engagement. This was in recognition that highly engaged employees feel valued and are invested in the organisation in terms of striving to create innovative services and processes to benefit the department and service delivery. The department continued to identify opportunities to bridge skills gaps for specialised roles by combining multiple technical skill sets – such as economics, health and policy analysis – into a single position.

### Challenges

A shortage of critical financial skills leads to attraction and retention challenges for the National Treasury. Suitably qualified individuals are in limited supply and therefore dictate certain aspects of the employment relationship. It remains a challenge to keep these employees engaged and retain them for the desired periods. The National Treasury competes with the private sector for similar skills. This further limits the pool from which to attract skills. Once acquired, the challenge moves to retaining skilled employees in a highly competitive environment. This is combined with regulatory requirements that must be adhered to, but which exacerbate the challenges. As such, internal development and skills transfer become key strategies for ensuring that capacity requirements are met. The limited flexibility within the existing structure remains a challenge, however, as mentioned above, the organisational optimisation process and career path model should assist in minimising these challenges.

## 2.7 FUTURE HUMAN RESOURCE PLANS/GOALS

- Ensure that HRM provides strategic, value-added and timeous services to the department.
- Enhance talent attraction acquisition and retention that is aligned with the department's strategic objectives.
- Enhance employee engagement development and wellness initiatives.
- Embed a learning and high-performance culture.
- Improve compliance with the legislative framework.
- Improve efficiency in human resources processes and decision-making.

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## PART D
## GOVERNANCE

HUMAN RESOURCES **OVERSIGHT STATISTICS**

## 3.1 PERSONNEL-RELATED EXPENDITURE

Table 3.1.1 Personnel Expenditure by programme for the period 1 April 2025 to 31 March 2026

| PROGRAMME | TOTAL EXPENDITURE (R'000) | PERSONNEL EXPENDITURE (R'000) | TRAINING EXPENDITURE (R'000) | PROFESSIONAL AND SPECIAL SERVICES (R'000) | PERSONNEL EXPENDITURE AS A PERCENTAGE OF TOTAL EXPENDITURE | AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)* |
|---|---|---|---|---|---|---|
| Programme 1: Administration | 590 094 | 258 884 | 8 094 | 43 703 | 43.87 | 764 |
| Programme 2: Economic Policy, Tax, Financial Regulation and Research | 128 345 | 82 715 | 96 | 32 224 | 64.45 | 1 074 |
| Programme 3: Public Finance and Budget Management | 6 386 197 | 276 482 | 193 | 406 994 | 4.39 | 1 133 |
| Programme 4: Asset and Liability Management | 1 943 453 | 98 213 | 263 | 32 601 | 5.05 | 1 002 |
| Programme 5: Financial Systems and Accounting | 747 776 | 255 596 | 384 | 65 008 | 34.18 | 1 056 |
| Programme 6: International Financial Relations | 2 774 771 | 49 106 | 0 | 2 399 | 1.77 | 1 403 |
| Programme 7: Revenue Administration | 15 409 637 | 0 | 0 | 0 | 0.00 | 0 |
| Programme 8: Financial Intelligence and State Security | 5 598 525 | 0 | 0 | 0 | 0.00 | 0 |
| **Total** | **33 578 797** | **1 020 966** | **9 030** | **582 929** | **3.05** | **6 432** |

**Percentage of average personnel cost per employee calculated based on the number of employees in table 3.1.1. Minister's and Deputy Ministers' personnel expenditure included in total.*

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.1.2 Personnel costs by salary band for the period 1 April 2025 to 31 March 2026

| SALARY BANDS | PERSONNEL EXPENDITURE (R'000) | PERCENTAGE OF TOTAL PERSONNEL COST | NUMBER OF EMPLOYEES | AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)* |
|---|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0.00 | 0 | 0 |
| Skilled (levels 3-5) | 11 936 | 1.17 | 44 | 271 |
| Highly skilled production (levels 6-8) | 133 669 | 13.09 | 230 | 581 |
| Highly skilled supervision (levels 9-12) | 498 224 | 48.80 | 511 | 975 |
| Senior management (levels 13-16) | 369 776 | 36.22 | 247 | 1 497 |
| **Total**** | **1 013 605** | **99.28** | **1 032** | **3 325** |

** Percentage of average personnel cost per employee is calculated based on the number of employees in Table 3.1.2.*
*** Note: Minister's and Deputy Ministers' personnel expenditure not included in total.*

The following tables provide a summary, per programme (Table 3.1.3) and salary band (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, home-owners' allowance (HOA) and medical assistance. In each case, the table indicates the percentage of the personnel budget used for these items.

Table 3.1.3 Salaries, overtime, HOA and medical aid by programme for the period 1 April 2025 to 31 March 2026

| PROGRAMME | SALARIES | | OVERTIME | | HOME OWNERS ALLOWANCE | | MEDICAL AID | |
|---|---|---|---|---|---|---|---|---|
| | AMOUNT (R'000) | SALARIES AS A % OF PERSONNEL COST* | AMOUNT (R'000) | OVERTIME AS A % OF PERSONNEL COST* | AMOUNT (R'000) | HOA AS A % OF PERSONNEL COST * | AMOUNT (R'000) | MEDICAL ASSISTANCE AS A % OF PERSONNEL COST* |
| Programme 1 | 174 403 | 67.37 | 2 339 | 0.90 | 3 579 | 1.38 | 8 917 | 3.44 |
| Programme 2 | 58 591 | 70.83 | 0 | 0.00 | 340 | 0.41 | 1 091 | 1.32 |
| Programme 3 | 195 146 | 70.58 | 3 | 0.00 | 2 033 | 0.74 | 4 346 | 1.57 |
| Programme 4 | 70 012 | 71.29 | 227 | 0.09 | 913 | 0.93 | 1 997 | 2.03 |
| Programme 5 | 186 264 | 72.87 | 14 | 0.03 | 2 258 | 0.88 | 5 391 | 2.11 |
| Programme 6 | 26 006 | 52.96 | 2 599 | 0.94 | 259 | 0.53 | 1 164 | 2.37 |
| Programme 7 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Programme 8 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| **Total****** | **710 422** | **69.58** | **5 182** | **0.51** | **9 382** | **0.92** | **22 906** | **2.24** |

** Percentages of personnel cost of salaries, overtime, HOA and medical assistance are calculated on the total personnel expenditure per programme in Table 3.1.1.*

Table 3.1.4 Salaries, overtime, HOA and medical aid by salary band for the period 1 April 2025 to 31 March 2026

| PROGRAMME | SALARIES | | OVERTIME | | HOME OWNERS ALLOWANCE | | MEDICAL AID | |
|---|---|---|---|---|---|---|---|---|
| | AMOUNT (R'000) | SALARIES AS A % OF PERSONNEL COST* | AMOUNT (R'000) | OVERTIME AS A % OF PERSONNEL COST* | AMOUNT (R'000) | HOA AS A % OF PERSONNEL COST * | AMOUNT (R'000) | MEDICAL ASSISTANCE AS A % OF PERSONNEL COST* |
| Lower skilled (Levels 1-2) | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Skilled (Levels 3-5) | 7 893 | 66.13 | 312 | 2.61 | 506 | 4.24 | 992 | 8.31 |
| Highly skilled production (Levels 6-8) | 88 506 | 66.21 | 2 391 | 1.79 | 3 651 | 2.73 | 7 832 | 5.86 |
| Highly skilled supervision (Levels 9-12) | 357 898 | 71.83 | 2 477 | 0.50 | 3 912 | 0.79 | 11 150 | 2.24 |
| Senior management (Levels 13-16) | 252 050 | 68.16 | 2 | 0.00 | 1 313 | 0.36 | 2 932 | 0.79 |
| Total ***** | **706 347** | **69.69** | **5 182** | **0.51** | **9 382** | **0.93** | **22 906** | **2.26** |

** Minister's and Deputy Ministers' personnel expenditure not included in totals.*

## 3.2 EMPLOYMENT AND VACANCIES

Table 3.2.1 Employment and vacancies by programme as at 31 March 2026

| PROGRAMME | NUMBER OF FUNDED POSTS | HEADCOUNT | VACANCY RATE | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|---|---|---|---|---|
| Programme 1 | 384 | 333 | 13.28 | 73 |
| Programme 2 | 105 | 75 | 28.57 | 4 |
| Programme 3 | 281 | 245 | 12.81 | 5 |
| Programme 4 | 107 | 95 | 11.21 | 1 |
| Programme 5 | 268 | 251 | 6.34 | 25 |
| Programme 6 | 38 | 36 | 5.26 | 1 |
| Programme 7 | 0 | 0 | 0.00 | 0 |
| Programme 8 | 0 | 0 | 0.00 | 0 |
| Total | **1 183** | **1 035** | **12.51** | **109** |

*Note: Minister and Deputy Ministers included in totals.*

Table 3.2.2 Employment and vacancies by salary band as at 31 March 2026

| SALARY BANDS | NUMBER OF POSTS | HEADCOUNT | VACANCY RATE | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|---|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0 | 0.00 | 0 |
| Skilled (levels 3-5) | 51 | 44 | 13.73 | 6 |
| Highly skilled production (levels 6-8) | 249 | 230 | 7.63 | 69 |
| Highly skilled supervision (levels 9-12) | 578 | 511 | 11.59 | 28 |
| Senior management (levels 13-16) | 305 | 250 | 18.03 | 6 |
| Total | **1 183** | **1 035** | **12.51** | **109** |

*Note: Vacancy reduced by additional appointments. Minister and Deputy Ministers included in totals.*

Table 3.2.3 Employment and vacancies by critical occupations as at 31 March 2026

No formal critical occupations were approved for the National Treasury.

## 3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as at 31 March 2026

| SMS LEVEL | TOTAL NUMBER OF FUNDED SMS POSTS | TOTAL NUMBER OF SMS POSTS FILLED | SMS POSTS FILLED (%) | TOTAL NUMBER OF SMS POSTS VACANT | PERCENTAGE OF SMS POSTS VACANT |
|---|---|---|---|---|---|
| Director-general/ Head of department | 1 | 1 | 100.00 | 0 | 0.00 |
| Salary level 16 | 2 | 2 | 100.00 | 0 | 0.00 |
| Salary level 15 | 16 | 10 | 62.50 | 6 | 37.50 |
| Salary level 14 | 63 | 52 | 82.54 | 11 | 17.46 |
| Salary level 13 | 228 | 191 | 83.77 | 37 | 16.23 |
| **Total** | **310** | **256** | **82.58** | **54** | **17.42** |

*Note: Minister and Deputy Ministers excluded from totals.*

Table 3.3.2 SMS post information as at 30 September 2025

| SMS LEVEL | TOTAL NUMBER OF FUNDED SMS POSTS | TOTAL NUMBER OF SMS POSTS FILLED | SMS POSTS FILLED (%) | TOTAL NUMBER OF SMS POSTS VACANT | PERCENTAGE OF SMS |
|---|---|---|---|---|---|
| Director-general/ Head of department | 1 | 1 | 100.00 | 0 | 0.00 |
| Salary level 16 | 2 | 2 | 100.00 | 0 | 0.00 |
| Salary level 15 | 13 | 11 | 84.62 | 2 | 15.38 |
| Salary level 14 | 63 | 48 | 76.19 | 15 | 23.81 |
| Salary level 13 | 227 | 190 | 83.70 | 37 | 16.30 |
| Total | **306** | **252** | **82.35** | **54** | **17.65** |

*Note: Minister and Deputy Ministers excluded from totals.*

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2025 to 31 March 2026

| SMS LEVEL | ADVERTISING | | FILLING OF POSTS |
|---|---|---|---|
| | NUMBER OF VACANCIES PER LEVEL ADVERTISED WITHIN 6 MONTHS OF BECOMING VACANT | NUMBER OF VACANCIES PER LEVEL FILLED WITHIN 6 MONTHS OF BECOMING VACANT | NUMBER OF VACANCIES PER LEVEL NOT FILLED WITHIN 6 MONTHS BUT FILLED WITHIN 12 MONTHS |
| Director-general/ Head of department | 0 | 0 | 0 |
| Salary level 16 | 0 | 0 | 0 |
| Salary level 15 | 0 | 0 | 3 |
| Salary level 14 | 11 | 0 | 1 |
| Salary level 13 | 42 | 0 | 9 |
| Total | **53** | **0** | **10** |

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts advertised within 6 months and filled within 12 months after becoming vacant 1 April 2025 to 31 March 2026

| REASONS FOR VACANCIES NOT ADVERTISED WITHIN 6 MONTHS |
|---|
| The recruitment unit is mandated by the needs of line managers' vacancies. Some line managers choose to re-prioritise vacant and funded positions and use the funds to fill other, more critical positions, while other line managers consider future needs or potential changes to their business units before advertising. The department must constantly assess if filling of the vacant position is critical for that financial year and ensure that it is in line with department's cost of employment budget. The other reason was the approved review of the department's organisational structure, which affected posts. Some line managers traded-off posts while others deferred to fill their posts in the following year. |

| REASONS FOR VACANCIES NOT FILLED WITHIN 12 MONTHS |
|---|
| Due to the review of the department's organisational structure, most posts were targeted to be filled in 2026/27. Some of the positions, especially those that are difficult to fill, have been re-advertised several times and were expected to carry over into the next financial year. The key challenges are the quality of applications and the inflexible directive for SMS in terms of years of experience. The department is working on building internal pipelining to fill these posts, and this might take some time to ensure feeder applicants are available to apply for SMS posts. |

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2025 and 31 March 2026

| REASONS FOR VACANCIES NOT FILLED WITHIN 6 MONTHS |
|---|
| Recruitment and selection processes were on the executive committee's agenda in 2025/26 to ensure that heads of divisions increase their level of compliance with human resources prescripts. |

| REASONS FOR VACANCIES NOT FILLED WITHIN 12 MONTHS |
|---|
| The recruitment practice note was approved as a way of addressing issues pertaining to the noncompliance to fill positions within 12 months. However, some of the reasons are similar to those provided in section 3.3.4, where the recruitment process is initiated but the quality of applications is unsatisfactory. The National Treasury has many positions that are highly technical and require specialised skills. |

## 3.4 JOB EVALUATION

Table 3.4.1 Job evaluation by salary band for the period 1 April 2025 to 31 March 2026

| SALARY BAND | NUMBER OF POSTS | NUMBER OF JOBS EVALUATION | POSTS EVALUATED BY SALARY BANDS (%) | POSTS UPGRADED | | POSTS DOWNGRADED | |
|---|---|---|---|---|---|---|---|
| | | | | NUMBER | POSTS EVALUATED (%) | NUMBER | OF POSTS EVALUATED (%) |
| Lower skilled (levels 1-2) | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Skilled (levels 3-5) | 51 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Highly skilled production (levels 6-8) | 249 | 2 | 0.80 | **1** | 5.26 | 0 | 0.00 |
| Highly skilled supervision (levels 9-12) | 578 | 13 | 2.25 | 0 | 0.00 | 0 | 0.00 |
| SMS band A | 222 | 3 | 1.35 | 0 | 0.00 | 0 | 0.00 |
| SMS band B | 64 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| SMS band C | 13 | 1 | 7.69 | 0 | 0.00 | 0 | 0.00 |
| SMS band D | 6 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| **Total** | **1183** | **19** | **0.00** | **1** | **5.26** | **0** | **0.00** |

*Note: Minister and Deputy Ministers included in totals.*

Table 3.4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded (1 April 2025 to 31 March 2026)

| BENEFICIARIES | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|---|---|---|---|---|---|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** |

Table 3.4.3 Employees with salary level higher than those determined by job evaluation by occupation 1 April 2025 to 31 March 2026

| OCCUPATION | NUMBER OF EMPLOYEES | JOB EVALUATION LEVEL | REMUNERATION LEVEL | REASON FOR DEVIATION |
|---|---|---|---|---|
| Administration support | 1 | 5 | 6 | Placement after structural review |
| Administration support | 15 | 7 | 8 | Placement after structural review |
| Administration support | 1 | 7 | 12 | Placement after structural review |
| Economic | 1 | 9 | 10 | Placement after structural review |
| Administration support | 1 | 8 | 12 | Placement after structural review |
| Administration support | 1 | 11 | 12 | Placement after structural review |
| Technical | 1 | 12 | 11 | Placement after structural review |
| Administration and technical | 5 | 11 | 13 | Placement after structural review |
| Total number of employees whose salaries exceeded the level determined by job evaluation in 2025/26 | | | | 26 |
| Percentage of total employment as at 31 March 2026 | | | | 2.51 |

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation 1 April 2025 to 31 March 2026

| GENDER | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|---|---|---|---|---|---|
| Female | 14 | 1 | 0 | 7 | 22 |
| Male | 3 | 0 | 0 | 1 | 4 |
| Total | **18** | **1** | **0** | **8** | **26** |

## 3.5 EMPLOYMENT CHANGES

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 20245to 31 March 2026

| SALARY BAND | NUMBER OF EMPLOYEES AS AT 31 MARCH 2025 | APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT | TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT | TURNOVER RATE (%) |
|---|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0 | 0 | 0.00 |
| Skilled (levels 3-5) | 39 | 14 | 4 | 10.26 |
| Highly skilled production (levels 6-8) | 220 | 14 | 19 | 8.64 |
| Highly skilled supervision (levels 9-12) | 513 | 29 | 25 | 4.87 |
| SMS band A | 191 | 6 | 9 | 4.71 |
| SMS band B | 52 | 4 | 7 | 13.46 |
| SMS band C | 10 | 3 | 2 | 20.00 |
| SMS band D | 6 | 0 | 0 | 0.00 |
| Total | **1 031** | **70** | **66** | **6.40** |

*Note: Minister and Deputy Ministers included in totals (SMS band D).*

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 to 31 March 2025

No formal critical occupations were approved for the National Treasury.

Table 3.5.3 Reasons for staff leaving the department 1 April 2025 to 31 March 2026

| TERMINATION TYPE | NUMBER | PERCENTAGE OF TOTAL |
|---|---|---|
| Contract expiry | 19 | 28.79 |
| Death | 1 | 1.52 |
| Retirement | 7 | 10.6 |
| Resignation | 36 | 54.55 |
| Severance package | 0 | 0.00 |
| Transfer to other public service departments | 3 | 4.55 |
| **Total** | **66** | |
| Total number of employees who left as a percentage of total employment (as at 31 March 2026) | 66 | 6.40 |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2025 to 31 March 2026

No formal critical occupations were approved for the National Treasury.

Table 3.5.5 Promotions by salary band for the period 1 April 2025 and 31 March 2026

| SALARY BAND | EMPLOYEES AS AT 31 MARCH 2025 | PROMOTIONS TO ANOTHER SALARY LEVEL | SALARY BAND PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL |
|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0 | 0.00 |
| Skilled (levels 3-5) | 39 | 0 | 0.00 |
| Highly skilled production (levels 6-8) | 220 | 2 | 0.91 |
| Highly skilled supervision (levels 9-12) | 513 | 10 | 1.95 |
| Senior management (levels13-16) | 259 | 10 | 3.86 |
| **Total** | **1 031** | **22** | **2.13** |

*Note: Changes due to the upgrading of post and accelerated/grade progression excluded from totals.*

## 3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2026

| OCCUPATIONAL CATEGORY | MALE | | | | FEMALE | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Legislators, senior officials and managers | 82 | 7 | 12 | 17 | 86 | 3 | 12 | 27 | 246 |
| Professionals | 175 | 10 | 4 | 16 | 178 | 8 | 7 | 21 | 419 |
| Technicians and associate professionals | 88 | 3 | 0 | 3 | 201 | 7 | 7 | 16 | 325 |
| Clerks | 23 | 2 | 0 | 2 | 18 | | | | 45 |
| Service and sales workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **368** | **22** | **16** | **38** | **483** | **18** | **26** | **64** | **1035** |
| Employees with disabilities | 3 | 1 | 0 | 5 | 0 | 0 | 0 | 1 | **10** |

*Note: Minister and Deputy Ministers included in totals (legislators, senior officials and managers).*

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2026

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
| Top management | 6 | 1 | 3 | 1 | 5 | 1 | 0 | 0 | 17 |
| Senior management | 79 | 7 | 9 | 16 | 81 | 2 | 12 | 27 | 233 |
| Professionally qualified and experienced specialists and mid-management | 173 | 9 | 4 | 16 | 178 | 8 | 7 | 21 | 416 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 88 | 3 | 0 | 3 | 201 | 7 | 7 | 16 | 325 |
| Semi-skilled and discretionary decision-making | 22 | 2 | 0 | 2 | 18 | 0 | 0 | 0 | 44 |
| Unskilled and defined decision-making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **368** | **22** | **16** | **38** | **483** | **18** | **26** | **64** | **1035** |

*Note: Minister and Deputy Ministers included in totals (top management).*

Table 3.6.3 Recruitment for the period 1 April 2025 to 31 March 2026

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
| Top management (levels 15-16) | 0 | 0 | 1 | 0 | 2 | 0 | 0 | 0 | 3 |
| Senior management (levels 13-14) | 2 | 0 | 0 | 1 | 4 | 1 | 1 | 1 | 10 |
| Professionally qualified and experienced specialists and mid-management (levels 9-12) | 16 | 1 | 0 | 2 | 9 | 1 | 0 | 0 | 29 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6-8) | 8 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 14 |
| Semi-skilled and discretionary | 8 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 14 |

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
| decision-making (levels 3-5) | | | | | | | | | |
| Unskilled and defined decision-making (levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **34** | **1** | **1** | **3** | **27** | **2** | **1** | **1** | **70** |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*Note: Minister and Deputy Ministers included in totals (top management).*

Table 3.6.4 Promotions for the period 1 April 2025 to 31 March 2026

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
| Top management (levels 15-16) | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | **2** |
| Senior management (levels 13-14) | 3 | 0 | 0 | 0 | 4 | 1 | 0 | 0 | **8** |
| Professionally qualified and experienced specialists and mid-management (levels 9-12) | 2 | 0 | 0 | 1 | 7 | 0 | 0 | 0 | **10** |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6-8) | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | **2** |
| Semi-skilled and discretionary decision-making (levels 3-5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Unskilled and defined decision-making (levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Total** | **6** | **0** | **0** | **2** | **12** | **2** | **0** | **0** | **22** |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |

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Table 3.6.5 Terminations for the period 1 April 2025 to 31 March 2026

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
| Top management (levels 15-16) | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | **2** |
| Senior management (levels 13-14) | 5 | 0 | 0 | 1 | 8 | 2 | 0 | 0 | **16** |
| Professionally qualified and experienced specialists and mid-management (levels 9-12) | 15 | 0 | 0 | 0 | 8 | 0 | 0 | 2 | **25** |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6-8) | 8 | 1 | 0 | 1 | 9 | 0 | 0 | 0 | **19** |
| Semi-skilled and discretionary decision-making (levels 3-5) | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | **4** |
| Unskilled and defined decision-making (levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Total** | **30** | **1** | **0** | **2** | **29** | **2** | **0** | **2** | **66** |
| Employees with disabilities | – | – | – | – | – | – | – | – | – |

*Note: Minister and Deputy Ministers included in totals (top management).*

Table 3.6.6 Disciplinary action for the period 1 April 2025 to 31 March 2026

| DISCIPLINARY ACTION | MALE | | | | AFRICAN | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
| | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **1** |

Table 3.6.7 Skills development for the period 1 April 2025 to 31 March 2026

| OCCUPATIONAL CATEGORIES | MALE | | | | FEMALE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
| Legislators, senior officials and managers | 26 | 1 | 5 | 1 | 46 | 1 | 1 | 5 | **86** |
| Professionals | 45 | 2 | 0 | 1 | 51 | 2 | 1 | 2 | **104** |
| Technicians and associate professionals | 26 | 1 | 0 | 0 | 25 | 0 | 1 | 0 | **53** |
| Clerks | 23 | 0 | 0 | 1 | 58 | 1 | 1 | 3 | **87** |
| Service and sales workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Craft and related trades workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Plant and machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Elementary occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Total** | **120** | **4** | **5** | **3** | **180** | **4** | **4** | **10** | **330** |
| Employees with disabilities | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |

*Note: Minister and Deputy Ministers not included in totals*

## 3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

In ensuring compliance with the performance management and development policy, the following tables detail compliance by SMS members on their performance agreements. The information is presented in terms of race, gender and disability (Table 3.7.1), salary bands (Table 3.7.2) and critical occupations (Table 3.7.3).

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.7.1 Signing of performance agreements by SMS members as at 31 May 2025

| SMS LEVEL | TOTAL NUMBER OF FUNDED SMS POSTS | TOTAL NUMBER OF SMS MEMBERS | TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS | SIGNED PERFORMANCE AGREEMENTS AS A % OF TOTAL NUMBER OF SMS MEMBERS |
|---|---|---|---|---|
| Director-general/ Head of department | 1 | 1 | 1 | 100.00 |
| Salary level 16 | 2 | 2 | 0 | 0.00 |
| Salary level 15 | 16 | 10 | 8 | 80.00 |
| Salary level 14 | 63 | 50 | 47 | 94.00 |
| Salary level 13 | 228 | 190 | 184 | 96.84 |
| **Total** | **310** | **253** | **240** | **310** |

*Note: Minister and Deputy Ministers not included in totals.*

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as at 31 May 2025

| STATUS | 13 | 14 | 15 | 16 | TOTAL | REASONS |
|---|---|---|---|---|---|---|
| Performance agreements not submitted | 6 | 3 | 2 | 2 | 13 | Noncompliance |
| **Total** | **6** | **3** | **2** | **2** | **13** | |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 May 2025

| |
|---|
| Consequence management under way. |

## 3.8 PERFORMANCE REWARDS

Table 3.8.1 Performance rewards by race, gender, and disability for the period 1 April 2024 to 31 March 2025

| RACE AND GENDER | BENEFICIARY PROFILE | | | COST | |
|---|---|---|---|---|---|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | PERCENTAGE OF TOTAL WITHIN GROUP | COST (R'000) | AVERAGE COST PER EMPLOYEE |
| **African** | **0** | **844** | **0.00** | **0** | **0** |
| Male | 0 | 361 | 0.00 | 0 | 0 |
| Female | 0 | 483 | 0.00 | 0 | 0 |
| **Asian** | **0** | **39** | **0.00** | **0** | **0** |
| Male | 0 | 15 | 0.00 | 0 | 0 |
| Female | 0 | 24 | 0.00 | 0 | 0 |
| **Coloured** | **0** | **38** | **0.00** | **0** | **0** |
| Male | 0 | 21 | 0.00 | 0 | 0 |
| Female | 0 | 17 | 0.00 | 0 | 0 |
| **White** | **0** | **104** | **0.00** | **0** | **0** |
| Male | 0 | 39 | 0.00 | 0 | 0 |
| Female | 0 | 65 | 0.00 | 0 | 0 |
| **Total** | **0** | **1 025** | **0.00** | **0** | **0** |

*Note: The Minister, Deputy Ministers, Director-General and 2 ministerial special advisers are excluded from totals.*

Table 3.8.2 Performance rewards by salary band for personnel below SMS (1 April 2024 to 31 March 2025)

No performance rewards were paid for the period 1 April 2024 to 31 March 2025.

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.8.2 Performance rewards by salary band for personnel below SMS 1 April 2025 to 31 March 2026

| SALARY BAND | BENEFICIARY PROFILE | | | COST | | TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE |
|---|---|---|---|---|---|---|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN SALARY BANDS | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE | |
| Lower skilled (levels 1-2) | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| Skilled (levels 3-5) | 0 | 39 | 0.00 | 0 | 0 | 0.00 |
| Highly skilled production (levels 6-8) | 0 | 220 | 0.00 | 0 | 0 | 0.00 |
| Highly skilled supervision (levels 9-12) | 0 | 513 | 0.00 | 0 | 0 | 0.00 |
| **Total** | **0** | **772** | **0.00** | **0** | **0** | **0.00** |

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2025 to 31 March 2026

No performance rewards were given for the period 1 April 2025 to 31 March 2026.

Table 3.8.4 Performance-related rewards (cash bonus), by salary band for SMS member (1 April 2025 to 31 March 2026)

| SALARY BAND | BENEFICIARY PROFILE | | | COST | | TOTAL COST AS A % OF TOTAL PERSONNEL EXPENDITURE |
|---|---|---|---|---|---|---|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | PERCENTAGE OF TOTAL WITHIN BANDS | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE | |
| Band A | 0 | 191 | 0.00 | 0 | 0 | 0.00 |
| Band B | 0 | 52 | 0.00 | 0 | 0 | 0.00 |
| Band C | 0 | 10 | 0.00 | 0 | 0 | 0.00 |
| Band D | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| **Total** | **0** | **253** | 0.00 | **0** | **0** | 0.00 |

*Note: The Minister, Deputy Ministers, Director-General and 2 ministerial special advisors are excluded from totals.*

## 3.9 FOREIGN WORKERS

Table 3.9.1 Foreign workers by salary band for the period 1 April 2025 and 31 March 2026

| SALARY BAND | MARCH 2025 | | MARCH 2026 | | CHANGE | |
|---|---|---|---|---|---|---|
| | NUMBER | PERCENTAGE OF TOTAL | NUMBER | PERCENTAGE OF TOTAL | NUMBER | PERCENTAGE CHANGE |
| Lower skilled (levels 1-2) | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Skilled (levels 3-5) | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Highly skilled production (levels 6-8) | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Highly skilled supervision (levels 9-12) | 1 | 8.33 | 1 | 9.09 | 0 | 0.00 |
| Senior management (levels 13-16) | 11 | 91.67 | 10 | 90.91 | -1 | -9.09 |
| **Total** | **12** | **100** | **11** | **100** | **-1** | **-8.33** |

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2025 to 31 March 2026

| SALARY BAND | MARCH 2025 | | MARCH 2026 | | CHANGE | |
|---|---|---|---|---|---|---|
| | NUMBER | PERCENTAGE OF TOTAL | NUMBER | PERCENTAGE OF TOTAL | NUMBER | PERCENTAGE CHANGE |
| Senior management | 11 | 91.67 | 10 | 90.91 | -1 | -9.09 |
| Professional qualified | 1 | 8.33 | 1 | 9.09 | 0 | 0.00 |
| Skilled technical | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Semi-skilled | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Unskilled | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| **Total** | **12** | **100.00** | **11** | **100.00** | **-1** | **-8.33** |

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

## 3.10 LEAVE USAGE

Table 3.10.1 Sick leave for the period 1 January 2025 to 31 December 2025

| SALARY BAND | TOTAL DAYS | PERCENTAGE OF DAYS WITH MEDICAL CERTIFICATION | NUMBER OF EMPLOYEES USING SICK LEAVE | PERCENTAGE OF TOTAL EMPLOYEES USING SICK LEAVE | AVERAGE DAYS PER EMPLOYEE | ESTIMATED COST (R'000) |
|---|---|---|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0.00 | 0 | 0.00 | 0 | 0 |
| Skilled (levels 3-5) | 170 | 171.50 | 21 | 3.54 | 13 | 221 |
| Highly skilled production (levels 6-8) | 965.50 | 160.20 | 161 | 27.10 | 10 | 1 998 |
| Highly skilled supervision (levels 9-12) | 1 591 | 137.80 | 287 | 48.32 | 9 | 5 871 |
| Senior management (levels 13-16) | 737.5 | 82.9 | 125 | 21.04 | 14 | 3 920 |
| **Total** | **3 464** | **79.00** | **594** | **100.00** | **5.83** | **12 009** |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2025

| SALARY BAND | TOTAL DAYS TAKEN | PERCENTAGE OF DAYS WITH MEDICAL CERTIFICATION | NUMBER OF EMPLOYEES USING DISABILITY LEAVE | PERCENTAGE OF TOTAL EMPLOYEES USING DISABILITY | AVERAGE DAYS PER EMPLOYEE | ESTIMATED COST (R'000) |
|---|---|---|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0.00 | 0 | 0.00 | 0 | 0 |
| Skilled (levels 3-5) | 21 | 100.00 | 1 | 20.00 | 21 | 30 |
| Highly skilled production (levels 6-8) | 188 | 100.00 | 2 | 40.00 | 94 | 423 |
| Highly skilled supervision (levels 9-12) | 22 | 100.00 | 1 | 20.00 | 22 | 64 |
| Senior management (levels 13-16) | 6 | 100.00 | 1 | 20.00 | 6 | 28 |
| **Total** | **237** | **100.00** | **5** | **100.00** | **47** | **544** |

Table 3.10.3 Annual leave for the period 1 January 2025 to 31 December 2025

| SALARY BAND | TOTAL DAYS TAKEN | NUMBER OF EMPLOYEES USING ANNUAL LEAVE | AVERAGE PER EMPLOYEE |
|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0 | 0 |
| Skilled (levels 3-5) | 636 | 37 | 27 |
| Highly skilled production (levels 6-8) | 5 475.25 | 268 | 37 |
| Highly skilled supervision (levels 9-12) | 11 917.17 | 535 | 32 |
| Senior management (levels 13-16) | 6 329.25 | 269 | 36 |
| **Total** | **24 357.67** | **1 109** | **22** |

Table 3.10.4 Capped leave for the period 1 January 2025 to 31 December 2025

| SALARY BAND | TOTAL DAYS OF CAPPED LEAVE TAKEN | NUMBER OF EMPLOYEES USING CAPPED LEAVE | AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE | AVERAGE CAPPED LEAVE PER EMPLOYEE AS ON 31 DECEMBER 2024 |
|---|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (levels 3-5) | 0 | 0 | 0 | 22 |
| Highly skilled production (levels 6-8) | 0 | 0 | 0 | 14 |
| Highly skilled supervision (levels 9-12) | 1 | 1 | 1 | 25 |
| Senior management (levels 13-16) | 0 | 0 | 0 | 21 |
| **Total** | **1** | **1** | **1** | |

The following table summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2025 to 31 March 2026

| REASON | TOTAL AMOUNT (R'000) (A) | NUMBER OF EMPLOYEES (B) | AVERAGE PAYMENT PER EMPLOYEE (R'000) (C=A/B) |
|---|---|---|---|
| Leave payout for 2025/26 due to use of leave for the previous cycle | 0 | 0 | 0 |
| Capped leave payouts on termination of service for 2025/26 | 818 | 16 | 51 |
| Current leave payout on termination of service for 2025/26 | 4 532 | 81 | 56 |
| **Total** | **5 350** | **97** | **107** |

## 3.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

| UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY) | KEY STEPS TAKEN TO REDUCE THE RISK |
|---|---|
| There is currently no primary healthcare clinic on site. The National Treasury provided regular health screenings through GEMS, which assisted in identifying health risk among employees. The screenings included hypertension, diabetes, cholesterol, obesity, and HIV counselling and testing. The upward trend of health issues noted among employees was obesity and pre-hypertension. Pre-hypertension is a blood pressure reading that is higher than normal but not high enough to be deemed as high blood pressure. The use of psychosocial services reached a total of 402, an increase from the previous year. | To reduce the spread of communicable diseases in respect of HIV/STI and TB management in the workplace, the following programmes were implemented in 2025/26:<br>• 1 900 male condoms and 784 female condoms were distributed in the male and female bathrooms for ease of access, in both National Treasury office sites (Pretoria and Centurion).<br>• 151 employees were tested for HIV (70 male and 101 female).<br>• 1.3 per cent out of 151 employees tested positive and were referred for further management through GEMS, and a healthcare service provider maintained confidentiality in the referral process, ensuring that employees receive the needed treatment.<br>• 197 employees were tested for TB. None were positive.<br>• An emailer was issued to all National Treasury employees on 1 December 2025 to observe World AIDS Day in an effort to raise awareness on a healthy sexual lifestyle.<br>• HCT blood screenings were held on 10 and 11 December 2025, and quarterly screenings were done for noncommunicable diseases (blood pressure, diabetes and cholesterol). Based on the staff composition, 14.5 per cent of employees participated in the HCT screenings, while 23 per cent participated in screenings for non-communicable diseases.<br>• Screening results showed a high prevalence of obesity, prompting the implementation of physical activity and healthy nutrition initiatives – under the wellness management pillar of the employee health and wellness programme – to help maintain a healthy workforce. |

Table 3.11.2 Details of health promotion and HIV and AIDS programmes

| QUESTION | YES | NO | DETAILS, IF YES |
|---|---|---|---|
| 1. Has the department designated an SMS member to implement the provisions contained in chapter 4, part 3, regulation 55 of the 2016 Public Service Regulations? If so, provide their name and position. | Yes | | Lufuno Monyau<br>Director: Organisational Development |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | Yes | | The department has a dedicated employee health and wellness unit under the following structure, presently operational, with 2 officials:<br>Dr Mmatsatsi Ramokolo-Kutu (Deputy Director: Employee Health and Wellness) and Samkelisiwe Ndlala (Assistant Director: Employee Health and Wellness) |
| 3. Has the department introduced an employee assistance or health promotion programme for employees? If so, indicate the key elements/services of this programme. | Yes | | The National Treasury has a programme (Siyaphila) in place to address psychosocial issues that affect employees. Assistance is also provided to reach their immediate families. The main categories for any psychosocial issues include, but are not limited to, the following:<br>1. Individual counselling.<br>2. Group counselling.<br>3. Trauma debriefing.<br>4. Financial advice.<br>5. Legal advice.<br>6. Health-related counselling. |
| 4. Has the department established a committee as contemplated in chapter 4, part 3, regulation 55 of the 2016 Public Service Regulations? If so, provide the names of members of the committee and the stakeholder(s) that they represent | Yes | | The National Treasury's transformation committee's terms of reference have lapsed, and the committee is being reconstituted through the election of a new disability and gender committee. Emphasis is being placed on disability committee strategies to help the department meet its mandated target of 3 percent representation of people with disabilities, targeting 7 percent by 2030.The committee should comprise employees who are members of SMS, mid-management, lower-level organised labour and employees with disabilities. |
| Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices reviewed. | Yes | | The following policies with respect to the wellness programme are under review:<br>• HIV/STI/TB management policy.<br>• Wellness management policy.<br>• Health and productivity policy. |

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

| QUESTION | YES | NO | DETAILS, IF YES |
|---|---|---|---|
| Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | Yes | | The HIV policy under review maintains the prescripts that guide the management of HIV and maintains non-discriminatory practices. The implementation of HIV programmes, such as the provision of quarterly health HCT screening, aligns with the UNAIDS "95-95-95" strategy (awareness of status, management through antiretroviral treatment, and reducing the number of new infections). |
| Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results. | Yes | | The National Treasury offers regular HCT blood screenings for employees. In 2025/26, 151 employees participated in HIV testing (70 males and 101 females). Of these, 1.3 per cent tested positive and were referred for further medical treatment through GEMS and a healthcare service provider. All referrals are confidential. |
| Has the department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators. | Yes | | The department uses compliance reports for monitoring and evaluation of the employee health and wellness programme. The employee health and wellness strategic frameworks comprise the following four pillars:<br>• HIV/STI and TB management.<br>• Health and productivity.<br>• Wellness management.<br>• Safety, health, environment, risk and quality.<br>Progress and annual reports are submitted and the system monitoring tool is used in the evaluation of the employee health and wellness programme.<br><br>The department also uses internal chief director operational plans to measure, monitor and evaluate programmes, through the quarterly report system (tracking dashboard).<br><br>Constant feedback from employees assists in monitoring and evaluating the effectiveness and impact of health promotion. |

## 3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2025 to 31 March 2026

| SUBJECT MATTER | DATE |
|---|---|
| N/A | N/A |

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2025 to 31 March 2026

| OUTCOMES OF DISCIPLINARY HEARINGS | NUMBER | PERCENTAGE OF TOTAL |
|---|---|---|
| Written warning | 0 | 0.00 |
| Final written warning | 0 | 0.00 |
| Dismissal | 1 | 100.00 |
| **Total** | **0** | **100.00** |

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 to 31 March 2026

| TYPE OF MISCONDUCT | NUMBER | PERCENTAGE OF TOTAL |
|---|---|---|
| Sexual harassment | 0 | 0.00 |
| Irregular expenditure | 0 | 0.00 |
| Poor work performance | 0 | 0.00 |
| Insubordination, dereliction of duties, noncompliance with leave policy | 1 | 100.00 |
| **Total** | **1** | **100.00** |

Table 3.12.4 Grievances lodged for the period 1 April 2025 to 31 March 2026

| GRIEVANCES | NUMBER | PERCENTAGE OF TOTAL |
|---|---|---|
| Number of grievances resolved | 7 | 87.50 |
| Number of grievances not resolved | 1 | 12.50 |
| **Total number of grievances lodged** | **8** | **100.00** |

Table 3.12.5 Disputes lodged with councils for the period 1 April 2025 to 31 March 2026

| DISPUTES | NUMBER | PERCENTAGE OF TOTAL |
|---|---|---|
| Number of disputes upheld | 1 | 3.33 |
| Number of disputes dismissed | 9 | 30.00 |
| Number of disputes pending | 7 | 23.33 |
| Number of disputes settled | 1 | 3.33 |
| Number of new disputes lodged | 12 | 40.00 |
| **Total number of disputes** | **30** | **100.00** |

Table 3.12.6 Strike actions for the period 1 April 2025 to 31 March 2026

| TOTAL NUMBER OF PERSON WORKING DAYS LOST | PERCENTAGE OF TOTAL |
|---|---|
| Total cost (R'000) of working days lost | 0.00 |
| Total cost of working days lost | 0.00 |
| Amount (R'000) recovered as a result of no work no pay | 0.00 |

Table 3.12.7 Precautionary suspensions for the period 1 April 2025 to 31 March 2026

| | |
|---|---|
| Number of people suspended | 0 |
| Number of people whose suspension exceeded 30 days | 0 |
| Average number of days suspended | 0 |
| Cost of suspensions | 0 |

## 3.13 SKILLS DEVELOPMENT

Table 3.13.1 Training needs identified for the period 1 April 2025 to 31 March 2026

| OCCUPATIONAL CATEGORIES | GENDER | NUMBER OF EMPLOYEES AS AT 31 MARCH 2026 | TRAINING NEEDS IDENTIFIED AT THE START OF THE REPORTING PERIOD | | | |
|---|---|---|---|---|---|---|
| | | | LEARNERSHIPS | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| Legislators, senior officials and managers | Female | 132 | 0 | 15 | 20 | **35** |
| | Male | 120 | 0 | 15 | 20 | **35** |
| Professionals | Female | 152 | 0 | 15 | 25 | **40** |
| | Male | 142 | 0 | 15 | 25 | **40** |
| Technicians and associated professionals | Female | 123 | 0 | 15 | 25 | **40** |
| | Male | 88 | 0 | 15 | 25 | **40** |
| Clerks | Female | 184 | 0 | 0 | 0 | 0 |
| | Male | 87 | 0 | 0 | 0 | 0 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related tradespeople | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **Female** | **591** | **0** | **0** | **0** | **0** |
| | **Male** | **437** | **0** | **0** | **0** | **0** |
| **Total** | | **1028** | **0** | **90** | **140** | **230** |

*Note: Minister and Deputy Ministers not included in total.*

Table 3.13.2 Training provided for the period 1 April 2025 to 31 March 2026

| OCCUPATIONAL CATEGORIES | GENDER | NUMBER OF EMPLOYEES AS AT 31 MARCH 2026 | TRAINING NEEDS IDENTIFIED AT THE START OF THE REPORTING PERIOD | | | |
|---|---|---|---|---|---|---|
| | | | LEARNERSHIPS | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| Legislators, senior officials and managers | Female | 132 | 0 | 32 | 21 | 53 |
| | Male | 120 | 0 | 16 | 18 | 34 |
| Professionals | Female | 152 | 0 | 39 | 18 | 57 |
| | Male | 142 | 0 | 30 | 18 | 48 |
| Technicians and associated professionals | Female | 123 | 0 | 22 | 12 | 34 |
| | Male | 88 | 0 | 25 | 9 | 34 |
| Clerks | Female | 184 | 0 | 48 | 16 | 64 |
| | Male | 87 | 0 | 19 | 5 | 24 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related tradespeople | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **Female** | **591** | **0** | 141 | 67 | 0 |
| | **Male** | **437** | **0** | 90 | 50 | 0 |
| **Total** | | **1028** | **0** | **231** | **117** | **348** |

*Note: Minister and Deputy Ministers not included in total.*

## 3.14 INJURY ON DUTY

Table 3.14.1 Injuries on duty for the period 1 April 2025 to 31 March 2026

| NATURE OF INJURY ON DUTY | NUMBER | PERCENTAGE OF TOTAL |
|---|---|---|
| Required basic medical attention only | 0 | 0.00 |
| Temporary total disablement | 0 | 0.00 |
| Permanent disablement | 0 | 0.00 |
| Fatal | 0 | 0.00 |
| **Total** | **0** | 0.00 |

## 3.15 USE OF CONSULTANTS

The following tables provide information on the department's use of consultants in the department. In terms of public service regulations, "consultant" means a natural or juristic person or a partnership who or which provides, in terms of a specific contract on an ad hoc basis, any of the following professional services to a department against remuneration received from any source:

a) The rendering of expert advice.

b) The drafting of proposals for the execution of specific tasks.

c) The execution of a specific task that is of a technical or intellectual nature but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 to 31 March 2026

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT | DURATION (WORKDAYS) | CONTRACT VALUE IN RANDS |
|---|---|---|---|
| N/A | 0 | 0 | 0 |
| Appointment of Forensic Investigating firms for a period of three (3) years | 6 Firms | 1095 | 12 377 599.21 |
| RFQ\|Preparation, Review and Amendment of the Financial Recovery Plans for the West Rand District Municipality, The City of Matlosana, Theewaterskloof, Kannaland, Thabazimbi and Matjabeng Local Municipalities | 1 | 120 | 1 663 508.00 |
| NT007-2024\| Appointment of a service provider for the provision of a contact | 1 | 1095 | 49 763 966.20 |

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT | DURATION (WORKDAYS) | CONTRACT VALUE IN RANDS |
|---|---|---|---|
| centre service for the OCPO for a period of three years | | | |
| Appointment of two technical assistants to support the Provincial Treasuries with the implementation and implementation oversight of the Infrastructure delivery management system in the Municipalities for a period of three years | 1 | 1095 | 6 671 748.00 |
| RFQ607-2024\| The appointment of a service provider to provide demand strategic support and monitoring & evaluation support to the Neighbourhood Development Partnership (NDP) for a period of twelve (12) months | 1 | 365 | 695 520.00 |
| RFQ406-2025 \| Appointment of a service provider for headhunting and sourcing of human capital skills for the position of Commissioner of the South African Revenue Service | 1 | 180 | 241 500.00 |
| Request to deviate from normal Supply Chain Management processes based on the basis of a single source service provider due to compatibility, continuity and alignment for the appointment of a service provider to develop a Fiscal Literacy and Financial Education Campaign Plan | 1 | 730 | 870 808.75 |
| RFQ495-2024\|Request to appoint a service provider to provide Microsoft Dynamics 365 Business Central Accounting System for a period of three (3) years | 1 | 1095 | 709 502.01 |
| Request to deviate from normal Supply Chain Management processes to appoint the Edward Nathan Sonnenbergs (ENS Inc) forensics to conclude the investigation at Independent Development Trust (IDT) | 1 | 240 | 2 116 890.60 |
| Request for approval to publish a bid using SITA contract 1183 for the renewal of the check point firewall software licensing and direct premium-pro support for a period of (3) three years | 1 | 1095 | 21 527 277.03 |

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT | DURATION (WORKDAYS) | CONTRACT VALUE IN RANDS |
|---|---|---|---|
| Request to deviate from normal Supply Chain Management processes based on urgency for appointment of service provider to investigate allegations of misconduct. | 1 | 180 | 500 000.00 |
| NT003-2024 \| Appointment of a service provider for the provision of Advisory services, support to LGI and general coordination of the Municipal support initiatives including the implementation oversight on the infrastructure delivery management system in Local Government over a period of 3 years | 1 | 1095 | 5 564 932.80 |
| Approval of deviation from SCM processes and appointing Ismail Momoniat as a single source service provider to assist in leading the South African delegation to ensure the country can exit the FATF Greylisting, preparations for the next FATF mutual evaluation process and assisting in related anti-corruption measures | 1 | 365 | 4 184 800.00 |
| RFQ \| Preparation, Review and Amendment of the Financial Recovery Plans for the West Rand District Municipality, The City of Matlosana, Theewaterskloof, Kannaland, Thabazimbi and Matjabeng Local Municipalities | 1 | 120 | 1 500 658.00 |
| RFQ499-2024 \| Appointment of a service provider for the provisioning of conflict of interest and lifestyle audit reports for a period of six months | 1 | 183 | 43 125.00 |
| Request for approval to appoint a service provider for the provisioning of debt recovery for National Treasury for a period of three years | 1 | 1095 | 20 000.00 |
| Approval of deviation from SCM processes and appointing Ismail Momoniat as a single source service provider to assist in leading the South African delegation to ensure the country can exit the FATF Greylisting, preparations for the next FATF mutual evaluation process and assisting in related anti-corruption measures | 1 | 365 | 4 184 800.00 |

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT | DURATION (WORKDAYS) | CONTRACT VALUE IN RANDS |
|---|---|---|---|
| NT006-2024 \| Appointment of an individual (service provider) to support the provincial and local Infrastructure unit within the National Treasury with the implementation of the Local Government Infrastructure delivery management system toolkit for a period of (3) three years | 1 | 1095 | 4 619 122.00 |
| Appointment of a service provider to provide forensic investigation services to NT for a period of four (4) months | 1 | 120 | 995 187.00 |
| RFQ \| Preparation, Review and Amendment of the Financial Recovery Plans for the West Rand District Municipality, The City of Matlosana, Theewaterskloof, Kannaland, Thabazimbi and Matjabeng Local Municipalities | 1 | 120 | 1 475 835.25 |
| RFQ \| Preparation, Review and Amendment of the Financial Recovery Plans for the West Rand District Municipality, The City of Matlosana, Theewaterskloof, Kannaland, Thabazimbi and Matjabeng Local Municipalities | 1 | 120 | 1 600 000.00 |
| RFQ018-2025: Appointment of a service provider to provide a second party opinion for a period of twelve (12) months | 1 | 365 | 311 000.00 |
| RFQ \| Preparation, Review and Amendment of the Financial Recovery Plans for the West Rand District Municipality, The City of Matlosana, Theewaterskloof, Kannaland, Thabazimbi and Matjabeng Local Municipalities | 1 | 120 | 1 249 396.96 |
| NT005-2024: Appointment of an individual (service provider) to support the Local Government Infrastructure Unit of the Intergovernmental Relations Division of NT with the Implementation and Implementation Oversight of the Local Government Framework | 1 | 1095 | 6 284 520.00 |
| RFQ \| Preparation, Review and Amendment of the Financial Recovery Plans for the West Rand District | 1 | 120 | 1 649 473.98 |

# 03 HUMAN RESOURCES OVERSIGHT STATISTICS

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT | DURATION (WORKDAYS) | CONTRACT VALUE IN RANDS |
|---|---|---|---|
| Municipality, The City of Matlosana, Theewaterskloof, Kannaland, Thabazimbi and Matjabeng Local Municipalities | | | |
| Appointment of a service provider for preparing the financial recovery plan for the Waterberg District Municipality for a period of five (5) months | 1 | 150 | 1 352 538.00 |
| Appointment of two technical assistants to support the Provincial Treasuries with the implementation and implementation oversight of the Infrastructure delivery management system in the Municipalities for a period of three years | 1 | 1095 | 6 337 155.59 |
| NT012-2024 \| Appointment of a service provider for the provision of Architectural Space Planning Services, Including Optimal Furniture design for as and when required to national Treasury for a period of three years | 1 | 1095 | 3 000 000.00 |
| RFQ575-2024 \| Appointment of a service provider to conduct a Forensic investigation for a period of three (3) months | 1 | 90 | 250 000.00 |
| RFQ001-2025 \| Appointment of a law firm to structure the National Treasury's Infrastructure pooling vehicle for a period of six (6) months | 1 | 180 | 5 000 000.00 |
| RFQ104-2024: The Appointment of a service provider to provide a technical competency dictionary for the National Treasury for a period of 12 months | 1 | 365 | 247 250.00 |
| TOTAL | | | 150 884 915.21 |

Table 3.15.2 Report on consultant appointments using donor funds for the period 1 April 2025 to 31 March 2026

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT | DURATION (WORK DAYS) | DONOR AND CONTRACT VALUE IN RANDS |
|---|---|---|---|
| N/A | 0 | 0 | 0 |

Table 3.15.3 Analysis of consultant appointments using donor funds in terms of historically disadvantaged individuals for the period 1 April 2025 to 31 March 2026

| | PERCENTAGE OWNERSHIP BY HDI GROUPS | PERCENTAGE MANAGEMENT BY HDI GROUPS | NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT |
|---|---|---|---|
| N/A | 0 | 0 | 0 |

## 3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2025 to 31 March 2026

| SALARY BAND | NUMBER OF APPLICATIONS RECEIVED | NUMBER OF APPLICATIONS REFERRED TO THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION | NUMBER OF APPLICATIONS SUPPORTED BY MPSA | NUMBER OF PACKAGES APPROVED BY DEPARTMENT |
|---|---|---|---|---|
| Lower skilled (levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (levels 3-5) | 0 | 0 | 0 | 0 |
| Highly skilled production (levels 6-8) | 0 | 0 | 0 | 0 |
| Highly skilled supervision (levels 9-12) | 0 | 0 | 0 | 0 |
| Senior management (levels 13-16) | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** |

2025/26

National Treasury

# ANNUAL REPORT

## Vote 8

PART E

# PFMA COMPLIANCE REPORT

# IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

01

## 1.1 IRREGULAR EXPENDITURE

### a) Reconciliation of irregular expenditure

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Opening balance | 236 512 | 284 713 |
| Prior period errors | | |
| as restated | 236 512 | 284 713 |
| add: irregular expenditure confirmed | 22 245 | 36 |
| less: irregular expenditure condoned | (3 666) | (3 690) |
| less: irregular expenditure not condoned and removed | (209 437) | (44 547) |
| less: irregular expenditure recoverable | - | - |
| less: irregular expenditure not recovered and written off | - | (62) |
| **closing balance** | **45 654** | **236 512** |

*The amounts disclosed in the current year relate to the new cases identified during 2025/26, and those in prior financial years relate mainly to irregular expenditures incurred under multi-year contracts.*

*In the current financial year, approval was granted by the DG on 27 November 2025 to remove irregular expenditure relating to ICT works R67. 182 million, KPMG, Abacus & Apex R140. 522 million and Deloitte and Touche R1.733 million. Trustlink Swift Bureau Services with an amount of R3.666 million was condoned in the current financial year.*

**Reconciling notes to the AFS disclosure**

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Irregular Expenditure that was under assessment in 2025/26 | 1 285 | - |
| Irregular Expenditure that relates to 2024/25 and identified in 2025/26 | - | - |
| Irregular Expenditure for the current year | 22 245 | 36 |
| Total | 23 530 | 36 |

# 01 IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

## b) Details of current and previous year irregular expenditure (under assessment, determination and investigation)

| DESCRIPTION1 | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Irregular Expenditure under assessment | 2 776 | 1491 |
| Irregular Expenditure under determination | 22 394 | - |
| Irregular Expenditure under investigation | - | - |
| Total 2 | 25 170 | 1491 |

*Irregular expenditure under assessment amounts to R2.776 million. This includes R1.491 million relating to accommodation costs incurred by the department in relation to the World Economic Forum on Africa, following a forensic investigation conducted during 2023/24. The assessment requires further consultation within the department to establish the appropriate mechanism for addressing the key issues raised in the investigation report. A further R1.285 million relates to expenditure incurred during the implementation of the e-Recruitment system. The matter is currently being assessed following the identification of possible non-compliance with applicable Treasury prescripts.*

*Amounts under determination relates to payments made for services procured without compliance with SCM requirements. This includes R2.016 million paid to Moody's for services rendered under an expired contract, R16.023 million paid to Q-Link for continued administration of Government Employees Emolument Orders after contract expiry without prior approval, and R4.355 million relating to services rendered by the International Monetary Fund. The determination process to establish appropriate remedial action is currently underway.*

## c) Details of current and previous year irregular expenditure condoned

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Irregular expenditure condoned | 3 666 | 3 690 |
| Total | 3 666 | 3 690 |

## d) Details of current and previous year irregular expenditure removed (not condoned)

*In the prior year, amounts condoned relates to GTAC R3.534 million and NT for Emthunzini R156 thousand.*

*In the current financial year, amounts condoned relates to Trustlink Swift Bureau Services R3.666 million*

[1] *Group similar items*
[2] *Total unconfirmed irregular expenditure (assessment), losses (determination) and criminal conduct (investigation)*

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| UU Technologies | - | 38 580 |
| Bontle ke Batho | - | 5 967 |
| ICT Works | 67 182 | - |
| KPMG, Abacus & Apex | 140 522 | - |
| Deloitte and Touche | 1 733 | - |
| Total | 209 437 | 44 547 |

*In the prior year, approval was granted by the DG on 31 March 2025 to remove irregular expenditure relating to Bontle Ke Botho R5.967 million and UU Technologies R38.580 million.*

*During the reporting period, approval was granted by the DG on 27 November 2025 to remove irregular expenditure to an amount of R209.437 million.*

### e) Details of current and previous year irregular expenditure recovered

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Irregular Expenditure recovered | - | - |
| Total | - | - |

*No irregular expenditure was recovered in the current financial year.*

### f) Details of current and previous year irregular expenditure written off (irrecoverable)

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Irregular Expenditure written off | - | - |
| Total | - | - |

*No irregular expenditure was recovered in the current financial year.*

**Additional disclosure relating to interinstitutional arrangements – not applicable**

### g) Details of noncompliance cases where an institution is involved in an interinstitutional arrangement (where such institution is not responsible for the noncompliance)

# 01 IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

| DESCRIPTION |
|---|
| N/A |
| **Total** |

## h) Details of noncompliance cases where an institution is involved in an interinstitutional arrangement (where such institution is responsible for the noncompliance) – not applicable

| DESCRIPTION | 2025/2026 | 2024/2025 |
|---|---|---|
| | R'000 | R'000 |
| N/A | | |
| | | |
| **Total** | | |

## i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

| DISCIPLINARY STEPS TAKEN | |
|---|---|
| ICT Works | Warning letters issued to accountable officials. |
| KPMG, Apex, Abacus | Warning letters issued to accountable officials. |
| Ditshegofatso | Awareness letter issued to accountable official. |
| Deloitte and Touché | Awareness letter issued to accountable official. |
| Amargi Media | Awareness letter issued to accountable official. |

# 1.2 FRUITLESS AND WASTEFUL EXPENDITURE

## a) Reconciliation of fruitless and wasteful expenditure

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Opening balance | - | - |
| Add: Fruitless and wasteful expenditure confirmed | - | - |
| Less: Fruitless and wasteful expenditure written off | | |
| Less: Fruitless and wasteful expenditure recoverable | | |
| **CLOSING BALANCE** | **-** | **-** |

*No fruitless and wasteful expenditure was incurred in the current financial year.*

### Reconciling notes to the AFS disclosure

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure that was under assessment in 2025/26 | - | - |
| Fruitless and wasteful expenditure that relates to 2024/25 and identified in 2025/26 | - | - |
| Fruitless and wasteful expenditure for the current year | - | - |
| Total | - | - |

## b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination and investigation)

| DESCRIPTION[3] | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure under assessment | - | - |
| Fruitless and wasteful expenditure under determination | - | - |
| Fruitless and wasteful expenditure under investigation | - | - |
| Total[4] | - | - |

[3] Group similar items
[4] Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination) and criminal conduct (investigation).

# 01 IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

## c) Details of current and previous year fruitless and wasteful expenditure recovered

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure recovered | - | - |
| Total | - | - |

## d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

| DESCRIPTION | 2025/26 | 2024/25 |
|---|---|---|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure written off | - | - |
| Total | - | - |

## e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

| DISCIPLINARY STEPS TAKEN |
|---|
| |
| |
| |
| |

# LATE AND/OR NON-PAYMENT OF SUPPLIERS

**02**

Information on the late and or non-payment of suppliers are listed below.

| DESCRIPTION | NUMBER OF INVOICES | CONSOLIDATED VALUE |
|---|---|---|
| | | R'000 |
| Valid invoices received | 2 772 | 1 454 466 |
| Invoices paid within 30 days or agreed period | 2 772 | 1 454 466 |
| Invoices paid after 30 days or agreed period | 0 | 0 |
| Invoices older than 30 days or agreed period (unpaid and without dispute) | 0 | 0 |
| Invoices older than 30 days or agreed period (unpaid and in dispute) | 0 | 0 |

**The National Treasury did not have any non-payment of suppliers for the period under review.**

# 03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

## Procurement by other means

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| Request to procure IIASA as sole provider for the public sector forum from 5–6 May 2025 | Institute of Internal Auditors South Africa | Sole Provider | N/A | 55 |
| Panel of Domestic Corporate Legal Experts for six months | Allen and Overy; Bowman Gilfilan; Cetzer Whitley; ENS; Sigma Attorneys; Webber Wentzel | Closed Bid | N/A | 0 |
| Comprehensive editorial services for the republication of the 2025 Budget documentation | Clarity Global | Single Source | N/A | 333 |
| Legal representation for Mr Barend du Plessis in an inquest hearing | De Meyer Attorneys | Single Source | N/A | 500 |
| Attendance at Converge Africa 2025 conference | Converge Africa | Single Source | N/A | 8 |
| Renewal of EViews software licence for three years | Quantec | Sole Provider | N/A | 782 |
| Renewal of SLA with DBSA for IDMS programme implementation | Development Bank of Southern Africa | Single Source | N/A | 0 |
| IIASA membership renewal and new member applications | Institute of Internal Auditors South Africa | Sole Provider | N/A | 65 |
| Upgrade of Teammate audit management software for 36 months | Wolters Kluwer | Sole Provider | N/A | 1 938 |
| IIASA membership renewal for OAG officials | Institute of Internal Auditors (IIASA) | Sole Provider | N/A | 51 |
| GFOA 119th annual conference | Government Finance Officers Association | Single Source | N/A | 38 |
| Parking lease agreement for Van Erkom Parking Arcade | Karabo Parking Management | Single Source | N/A | 540 |
| IODSA training for Ms Chimuti | IODSA | Sole Provider | N/A | 27 |
| Annual subscription for Parliament Monitoring Group services | Parliament Monitoring Group | Sole Provider | N/A | 49 |
| Advanced Microsoft security response services | Microsoft | Emergency | N/A | 2 579 |
| Low vision monitor and related software | Sensory Solutions | Single Source | N/A | 36 |
| ESSA centenary conference | Economic Society of South Africa | Sole Provider | N/A | 4 |
| Forecasting techniques training | CIPS | Sole Provider | N/A | 5 |
| PEQAR refresher training | Leadership Academy | Sole Provider | N/A | 18 |
| IODSA courses for Ms Nomalizo Bulisile | IODSA | Sole Provider | N/A | 40 |
| ACFE 18th annual Africa fraud conference and exhibition | Association of Certified Fraud Examiners | Sole Provider | N/A | 73 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| Online ethics officer certification programme | Ethics Institute of South Africa | Sole Provider | N/A | 125 |
| IRMSA annual conference, exhibition and masterclass | IRMSA | Sole Provider | N/A | 76 |
| MATLAB licence for three years | Opti-num Solutions | Sole Provider | N/A | 877 |
| Compulsory and executive induction programmes | National School of Government | Sole Provider | N/A | 100 |
| IPM convention and exhibition | Institute of People Management | Sole Provider | N/A | 33 |
| ISACA South Africa 2025 Annual Conference | ISACA | Sole Provider | N/A | 59 |
| ENS Forensics to conclude investigation at IDT | Edward Nathan Sonnenbergs (ENS inc.) | Single Source | N/A | 2 117 |
| PA's and Secretaries workshop | Seven 7 Training | Sole Provider | N/A | 12 |
| Public Procurement Regulation and Policy in Africa conference | Africa Procurement Law Unit | Sole Provider | N/A | 8 |
| SAMTRAC course | NOSA | Sole Provider | N/A | 23 |
| Financial Modelling for Power Project Finance | University of Cape Town | Sole Provider | N/A | 51 |
| Renewal of STATA software licence for three years | Quantec | Sole Provider | N/A | 636 |
| Renewal of BER Macro Services for three years | Bureau for Economic Services | Sole Provider | N/A | 370 |
| Registered Persons Examination | South African Institute of Financial Markets | Sole Provider | N/A | 6 |
| Parking space for four months | Karabo Parking Management (Pty) Ltd | Single Source | N/A | 720 |
| Renewal of EasyData services for three years | Quantec EasyData | Sole Provider | N/A | 709 |
| Organisational Design and Development in Government and SOE conference | Robin Edwin | Sole Provider | N/A | 15 |
| IPM convention and exhibition | Institute of People Management | Sole Provider | N/A | 17 |
| Renewal of GAMS software licence for three years | GAMS | Sole Provider | N/A | 247 |
| IODSA addendum for two supplementary programmes | Institute of Directors Southern Africa | Sole Provider | N/A | 11 |
| IIASA Pretoria region summit | Institute of Internal Auditors of South Africa | Sole Provider | N/A | 30 |
| Renewal of Econostat subscription for three years | IHS Information and Insight (Pty) Ltd | Sole Provider | N/A | 933 |
| ISACA professional body memberships renewal | ISACA | Sole Provider | N/A | 50 |
| Emergency clean-up and repairs following water ingress at 40 Church building | Morena Corporate Services (Pty) Ltd | Emergency | N/A | 48 |

# 03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| Fiscal Literacy and Financial Education Campaign Plan | Clarity Global Strategic Communications | Single Source | N/A | 871 |
| ESSA membership renewal for three years | Economic Society South Africa | Sole Provider | N/A | 156 |
| Review of ICT environment for Compensation Fund disbursement payments | PricewaterhouseCoopers Inc. | Single Source | N/A | 0 |
| Single source appointment for FATF evaluation support | Ismail Momoniat | Single Source | N/A | 8 312 |
| Bloomberg terminal services renewal | Bloomberg | Sole Provider | N/A | 1 779 |
| SA-TIED programme phase III | UNU-WIDER | Single Source | N/A | 60 000 |
| Bloomberg subscription renewal for ALM | Bloomberg | Sole Provider | N/A | 9 964 |
| CIGFARO MSCOA annual conference | CIGFARO | Sole Provider | N/A | 13 |
| Catering at DBSA for IGR annual strategic planning meeting | The Luncheon Eatery | Single Source | N/A | 8 |
| Municipal profiles subscription | Municipal IQ | Sole Provider | N/A | 315 |
| Rectification of omitted VAT on emergency procurement payment | Morena Corporate Services (Pty) Ltd | Emergency | N/A | 7 |
| SWIFT subscription renewal | SWIFT | Sole Provider | N/A | 5 247 |
| Investigation into allegations of misconduct | Harris, Nupen and Molebatsi Attorneys | Urgency | N/A | 300 |
| Coaching services for the Director-General | Crucial Communications | Single Source | N/A | 115 |
| IRESS subscriptions for ALM | IRESS | Sole Provider | N/A | 529 |
| Catering at DBSA for TCF and TBF meetings | Luncheon Eatery | Single Source | N/A | 13 |
| Catering at DBSA | Luncheon Eatery | Single Source | N/A | 39 |
| Fusion Pro software licence update | Sensory Solutions | Sole Provider | N/A | 25 |
| PASA certificate in foundational payments training | Payment Association of South Africa | Sole Provider | N/A | 49 |
| FinScope Consumer Surveys | FinMark Trust | Sole Provider | N/A | 1 725 |
| Month-to-month renewal of parking lease | Karabo Parking Management (Pty) Ltd | Single Source | N/A | 585 |
| ShortPoint licence for one year | Exponant | Sole Provider | N/A | 220 |
| Appointment of GCIS for 2026 Budget message broadcast | GCIS | Single Source | N/A | 144 |
| Appointment of financial expert for amended FRP | Makatisha Kgosi Phofedi | Single Source | N/A | 1 350 |
| Records management forum for two employees | MD Ink | Sole Provider | N/A | 19 |
| Catering services at DBSA | The Luncheon Eatery | Single Source | N/A | 16 |
| Parking lease agreement with Moongate on month-to-month basis | Moongate (Pty) Ltd | Single Source | N/A | 459 |
| Catering at DBSA for IGR senior management quarterly meeting | The Luncheon Eatery | Single Source | N/A | 13 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| Training through Odium BA Business Solutions | Odium BA Business Solutions | Single Source | N/A | 51 |
| Emerging market bond index ATA suite | JP Morgan | Sole Provider | N/A | 446 |
| IRMSA governance, risk and compliance online course | IRMSA | Sole Provider | N/A | 20 |
| SABPP ethics and HR governance conference | South African Board for People Practices | Sole Provider | N/A | 2 |
| ICFP short courses | North West University | Sole Provider | N/A | 73 |
| **TOTAL PROJECTS: 79** | | | | **107 134** |

### Contract variations and expansions

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| Request for extension for the month-to-month not exceeding 4 months | M-JNR and Olwethu Consulting (Pty) Ltd | Expansion | SLA-0071 | 19 892 | 3 456 | 989 |
| Request to extend the contract period for service providers appointed on the panel Bid NT002-1-2020 to provide technical support pertaining to the implementation of Chapter 13 of the Municipal Finance Management Act for a period not exceeding six months | Luta Management; Propellius; Stangra Investment; Open Water Advanced Risk Solutions; Akhile Management and Consulting; S&G Business Consulting; Mntambo Financial Consulting | Expansion | MSA-015, MSA-010 MSA-014, MSA-012, MSA-011, MSA-013, MSA-016 | 0 | 0 | 0 |
| Procurement of Rocket Terminal | Batsha IT Solution | Variation | RFQ609-2024 | 305 | 0 | 26 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| Emulator Software | | | | | | |
| To request approval from the CFO to grant approval for the SLAs for the service providers appointed to assist the Municipal Financial Recovery Services unit with the preparation of Financial Recovery Plans for the West Rand District, Kannaland, Theewaterskloof, City of Matlosana, Thabazimbi and Matjhabeng local municipalities be extended for a period ending 1-Sep-25 and 3-Oct-25 for Matjhabeng local municipality. | Luta Management; Propellius; Stangra Investment; Open Water Advanced Risk Solutions; Akhile Management and Consulting; S&G Business Consulting | Expansion | SLA-0287, SLA-290, SLA-289, SLA-284, SLA-294, SLA-288 | 0 | 0 | 0 |
| Request to approve new SAQA revised fees and to sign a new verification agreement reflecting the new fees | South African Qualification Authority (SAQA) | Variation | Sole Provider | Rate based | 06/30/2025 | 0 |
| OTB Advisory contract year 2 price adjustment | OTB Advisory | Variation | SLA-0231 | 167 690 | 0 | Rate based |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| to render support, maintenance, and enhancement of the National Treasury back-office system for the Asset and Liability Management Division | | | | | | |
| Request for approval to effect a price increase to SITA annexure l – off-site tape backup service | State Information Technology Agency | Variation | SLA-0105 | 53 895 | 0 | Rate based |
| Request for extension of Tourvest Travel Services contract for a period of six months | Tourvest Travel Services (Pty) Ltd | Expansion | SLA-0104 | 0 | 0 | 0 |
| Amend the Service Level Agreement between NT and M Guard | M Guard | Variation | SLA-0241 | 45 964 | 152 | 0 |
| Approve a six-month extension of the Service Level Agreement entered on 13 September 2024 between NT and the appointed ESG Structuring Advisors, J.P. Morgan Securities PLC, and FirstRand Bank Limited | ESG Structuring Advisors, J.P. Morgan Securities PLC, and FirstRand Bank Limited | Expansion | SLA-0251 | 0 | 0 | 0 |

# 03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| Approval for the variation of scope in the contract between NT and Structure Works Complete Security for the electronic systems contract | Structure Works | Variation | SLA-0197 | 1 759 | 0 | 0 |
| Annual increase: UU Technologies from 1 July 2025 to 30 June 2026 | UU Technologies | Variation | SLA-0171 | 25 279 | 421 | 265 |
| Extend the technical assistance from the Government Technical Advisory Centre to the Financial Management Chief Directorate in order to address identified inefficiencies and enhance SCM processes for improved transparency and cost-effectiveness | GTAC | Expansion | N/A | 775 | 0 | 0 |
| Approve the price increase for the cabinet hosting component of the disaster recovery solution provided by SITA - Annexure AF and annexure AG | SITA | Variation | SLA-0105 | 53 895 | 11 138 | 36 |
| Extend the term of the contract | PTP Integrated | Expansion | SLA-0253 | 41 311 | 0 | 0 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| with PTP Integrated for ICT Professional services on a month -to-month period not exceeding six months | | | | | | |
| Amendment of pricing for the fully outsourced dedicated VPN service provided to NT by SITA | SITA | Variation | SLA-0105 | 53 895 | 11 138 | 26 |
| Request for approval to reduce the scope of the service level agreement | Diesel Innovations (Pty) Ltd | Variation | SLA-0138 | Rate Based | 0 | 0 |
| Request for approval for annual CPI increase for Tipp Focus Holdings (Pty) Ltd from 1-Oct-25 to 30-Sep-26 | Tipp Focus Holdings (Pty) Ltd | Variation | SLA-0276 | 96 302 | 732 | 1 412 |
| Request for an extension of the employee health and wellness contract SLA-0263 for period 20-Dec-25 to 31-Mar-26 | Kefilwe Mojapelo Psychosocial Services (Pty) Ltd | Expansion | SLA-0263 | 600 | 0 | 180 |
| Request for an extension of period service providers appointed on panel NT002-1-2020 to provide technical support | Panel | Expansion | N/A | 0 | 0 | 0 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| for preparation of financial recovery plans for a period not exceeding six months. | | | | | | |
| Request to extend SITA Annexure AG (high availability solution) with increased costs | SITA | Variation | SLA-0105 | 53 895 | 11 164 | 173 |
| Request to extend the Travel Management Services Contract on a month-to-month basis for a period of 6 months, ending 30-Aug-2026 | Tourvest Travel Services (Pty) Ltd | Expansion | SLA-0104 | 0 | 0 | 0 |
| Extension of SLA 0325 for the provision of cleaning and hygiene services on a month-to-month basis, for a period not exceeding three months. | Morena Corporate Services | Expansion | SLA-0325 | 973 | 0 | 888 |
| Request approval to remove the clause on signed service level agreement of renewal of the Nessus professional software license for period for the financial year | AE Soft (Pty) Ltd | Variation | SLA-0346 | 226 | 0 | 0 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| 2025/26 and for a further two financial years ending 2027/28 | | | | | | |
| Upgrade Swift connectivity infrastructure: Telkom infrastructure and SITA Common Access Point (CAP)- Annexure F | SITA | Variation | SLA-0107 | 0 | 0 | 0 |
| Extension for the development of the technical competency dictionary, on a month-to-month basis for a period of six (6) months, ending 30 September 2026 | Work Dynamics (Pty) Ltd | Expansion | SLA-0295 | 247 | 0 | 0 |
| Annual price escalation for M Guard | MGuard (Pty) Ltd | Variation | SLA-0241 | 45 964 | 1 823 | 2 057 |
| Extension of the period of the offsite storage contract with Metrofile Pty Ltd for a period not exceeding three (3) months on a month-to-month basis | Metrofile (Pty) Ltd | Expansion | SLA-0282 | 911 | 0 | 41 |
| Addition of services to the SITA SLA –high availability solution | SITA | Variation | SLA0105 | 53 895 | 18 924 | 559 |
| The price increase to | SITA | Variation | SLA0105 | 53 895 | 18 924 | 152 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| annexure AC of the SITA SLA for video conferencing services | | | | | | |
| Extension of time for Edward Nathan Sonenbergs forensics to conclude the investigation at independent development trust (IDT) for three months ending 30 June 2026 | ENS | Expansion | SLA-0328 | 2 117 | 0 | 0 |
| Expansion and variation of the contract of HNM attorneys to investigate allegations of misconduct | Harris, Nupen and Molebatsi | Variation | SLA-0342 | 300 | 0 | 200 |
| Amend the effective date of the signed SLA-0353 aligning it to commence immediately after the expiry of the current SLA-0276 for the coaching services | Crucial Communications | Variation | SLA-0353 | 115 | 0 | 0 |
| Variation of the Telkom SA Soc Ltd Service Level Agreement (SLA) to move the line from 240 Madiba building to the | Telkom SA Soc Ltd | Variation | SLA-0246 | Usage Based | 0 | 73 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value R'000 | Value of previous contract expansion/s or variation/s R'000 | Value of current contract expansion or variation R'000 |
|---|---|---|---|---|---|---|
| new Riverwalk building | | | | | | |
| Extension of time for the Government Technical Advisory Centre to conclude the review of NT ICT provisioning, investment review and capability assessment from 31 March 2026 to 30 April 2026. | GTAC | Expansion | N/A | 0 | 0 | 0 |
| Request for service provider Ismail Momoniat to use business class travel when travelling internationally on government business for trips whose flight durations exceed 5 hours | Ismail Momoniat | Variation | SLA-0341 | 3 742 | 0 | 443 |
| **TOTAL** | | | | | | **7 521** |

**2025/26**

National Treasury

# ANNUAL REPORT

## Vote 8

PART F

## ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED **31 MARCH 2026**

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2025/26

National Treasury

# ANNUAL REPORT

Vote 8

## PART F
## ANNUAL FINANCIAL STATEMENTS

REPORT OF THE **AUDITOR-GENERAL**

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

01

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

1. I have audited the financial statements of the National Treasury (the department) set out on pages 345 to 420, which comprise the appropriation statement, statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Treasury as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as issued by National Treasury of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 2 of 2025 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor- general for the audit of the financial statements section of my report.
4. I am independent of the National Treasury in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other matter – unaudited supplementary schedules

6. The supplementary information set out on pages 421 to 456 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.
7. My opinion is not modified in respect of this matter.

### Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS as issued by National Treasury and the requirements of the PFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 340, forms part of my auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2026 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

| PROGRAMME | PAGE NUMBERS | PURPOSE |
|---|---|---|
| Programme 3 – Public finance and budget management | 183-188 | Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support. Facilitate employment creation and high-impact government initiatives and strengthen infrastructure planning and delivery. Supports effective administration of pensions, retirement, and other benefits. |
| Programme 5 – Financial accounting and supply chain management systems | 209-212 | Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector. |

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected programmes.

### Other matter

18. I draw attention to the matter below:

## ACHIEVEMENT OF PLANNED TARGETS

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.
20. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any under-achievement of targets are included in the annual performance report on pages 187.

## PROGRAMME 3 – PUBLIC FINANCE AND BUDGET MANAGEMENT

| TARGETS ACHIEVED: 91,6 %<br>BUDGET SPENT: 100% % | | |
|---|---|---|
| **KEY INDICATOR NOT ACHIEVED** | **PLANNED TARGET** | **REPORTED ACHIEVEMENT** |
| Public Private Partnership Regulations amended | Revised Public Private Partnership Regulations gazetted | Public Private Partnership Regulations not gazetted |

## REPORT ON COMPLIANCE WITH LEGISLATION

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa

(AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. I did not identify any material non-compliance with the selected legislative requirements.

## OTHER INFORMATION IN THE ANNUAL REPORT

25. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I have concluded that the fruitless and wasteful expenditure reconciliation in the annual report is materially misstated due to the department not disclosing the cumulative balance of fruitless and wasteful expenditure relating to prior year payments for the technical support and maintenance on licenses for the Integrated Financial Management System (IFMS) for which no value was derived. The misstatement remains unresolved and consequently, the fruitless and wasteful expenditure is understated by R400 million in the annual report.

## INTERNAL CONTROL DEFICIENCIES

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
30. I did not identify any significant deficiencies in internal control.

## MATERIAL IRREGULARITIES

31. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

## STATUS OF PREVIOUSLY REPORTED MATERIAL IRREGULARITIES

### Payment for the technical support and maintenance on the IFMS programme not in use by the department

32. Contraventions of section 38(1)(b), 38(1)(c)(ii) and 45(b) of the PFMA were reported in relation to fruitless and wasteful expenditure since the 2016-17 financial year for the following reasons:

33. National Treasury has incurred expenditure for payment of technical support and maintenance for software licenses that are not in use.

    - Based on the 2015 approved plan, the IFMS project was expected to follow a phased in approach and was expected to be fully implemented by March 2021.
    - The IFMS is still not implemented.

34. As of 31 March 2026, a material financial loss of R400 million has been determined. The expenditure was incurred from the 2016-17 to the 2021-22 financial years. No expenditure was incurred from 2022-23 to 2025-26 financial periods on this system.

35. The accounting officer was notified of the material irregularity on 13 May 2021, and their response was received on 9 July 2021. In the response, the accounting officer disagreed with the classification of the matter as fruitless and wasteful expenditure and stated that no long-term financial loss had been suffered by the government.

36. The matter was subsequently referred to the Special Investigating Unit (SIU) on 12 January 2022 for investigation, in accordance with section 5(1A) of the PAA. At the time of referral, the SIU already held a proclamation authorising the investigation. The matter was investigated under the scope of Proclamation R.4 of 2020, as amended by Proclamation R.40 of 2020. The investigation has since been completed, and the final report was submitted to the President, as confirmed by the SIU in May 2024.

37. The department has subsequently taken steps to take the final report of SIU on legal review and the department has confirmed that pleadings are currently being exchanged in this matter.

Auditor-General

Pretoria
11 September 2026

AUDITOR-GENERAL
SOUTH AFRICA
*Auditing to build public confidence*

# ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

## AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

### Professional judgement and professional skepticism

As part of an audit in accordance with the ISAs, exercise professional judgement and maintain professional skepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

### Financial Statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such

disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

# 01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

## Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

| LEGISLATION | SECTIONS OR REGULATIONS |
|---|---|
| Public Finance Management Act 1 of 1999 | Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f}; 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b) |
| Treasury Regulations, 2005 | Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1 (c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f}; 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4 |
| Construction Industry Development Board Act 38 of 2000 | Section 18(1) |
| Construction Industry Development Board Regulations, 2004 | Regulation 17; 25(7A) |
| Division of Revenue Act 24 of 2024 | Section 11(6)(a); 12(5); 16(1); 16(3)(a)(i); 16(3)(a)(ii) |

| LEGISLATION | SECTIONS OR REGULATIONS |
|---|---|
| National Health Act 61 of 2003 | Section 13 |
| National Treasury Instruction No. 5 of 2020/21 | Paragraph 4.8; 4.9; 5.3 |
| Second amendment National Treasury Instruction No. 5 of 2020/21 | Paragraph 1 |
| Erratum National Treasury Instruction No. 5 of 2020/21 | Paragraph 2 |
| National Treasury Instruction No. 1 of 2021/22 | Paragraph 4 |
| National Treasury Instruction No. 4 of 2015/16 | Paragraph 3.4 |
| National Treasury SCM Instruction No. 4A of 2016/17 | Paragraph 6 |
| National Treasury Instruction No. 7 of 2017/18 | Paragraph 4.3 |
| PFMA National Treasury SCM Instruction No. 03 of 2021/22 | Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6 |
| National Treasury SCM Instruction No. 11 of 2020/21 | Paragraph 3.4(a); 3.4(b); 3.9 |
| National Treasury SCM Instruction No. 2 of 2021/22 | Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1 |
| National Treasury Practice Note 5 of 2009/10 | Paragraph 3.3 |

| LEGISLATION | SECTIONS OR REGULATIONS |
|---|---|
| National Treasury Practice Note 7 of 2009/10 | Paragraph 4.1.2 |
| Preferential Procurement Policy Framework Act 5 of 2000 | Section 1; 2.1(a); 2.1(§ |
| Preferential Procurement Regulations, 2022 | Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4 |
| Preferential Procurement Regulations, 2017 | Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section 34(1) |
| Public Service Regulations, 2016 | Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii) |
| State Information Technology Agency Act 88 of 1998 | Section 7(3) |

2025/26

National Treasury

# ANNUAL REPORT

## Vote 8

PART F

# ANNUAL FINANCIAL STATEMENTS

APPROPRIATION **STATEMENT**

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

## APPROPRIATION PER PROGRAMME

| VOTED FUNDS AND DIRECT CHARGES | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| | Programme | | | | | | | | | |
| 1. | ADMINISTRATION | 711 200 | - | 50 937 | 762 137 | 590 094 | 172 043 | 77.4% | 702 408 | 699 268 |
| 2. | ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH | 145 819 | - | - | 145 819 | 128 345 | 17 474 | 88.0% | 137 596 | 120 058 |
| 3. | PUBLIC FINANCE AND BUDGET MANAGEMENT | 6 394 197 | - | (8 000) | 6 386 197 | 6 386 197 | - | 100.0% | 4 069 162 | 3 589 545 |
| 4. | ASSET AND LIABILITY MANAGEMENT | 1 966 363 | - | (10 253) | 1 956 110 | 1 943 452 | 12 658 | 99.4% | 145 164 | 137 940 |
| 5. | FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | 803 101 | - | (25 684) | 777 417 | 747 776 | 29 641 | 96.2% | 737 255 | 734 372 |
| 6. | INTERNATIONAL FINANCIAL RELATIONS | 3 811 457 | - | (7 000) | 3 804 457 | 2 774 771 | 1 029 686 | 72.9% | 2 526 242 | 2 321 449 |
| 7. | REVENUE ADMINISTRATION | 15 409 637 | - | - | 15 409 637 | 15 409 637 | - | 100.0% | 12 388 563 | 12 388 563 |
| 8. | FINANCIAL INTELLIGENCE AND STATE SECURITY | 5 598 525 | - | - | 5 598 525 | 5 598 525 | - | 100.0% | 5 265 620 | 5 265 620 |
| | **Programme subtotal** | **34 840 299** | **-** | **-** | **34 840 299** | **33 578 797** | **1 261 502** | **96.4%** | **25 972 010** | **25 256 815** |
| | **Statutory appropriation** | **754 723 234** | **-** | **-** | **754 723 234** | **674 447 664** | **80 275 570** | **89.4%** | **788 095 881** | **724 095 323** |
| | LAND BANK | - | - | - | - | - | - | 0.0% | - | - |
| | PROVINCIAL EQUITABLE SHARE | 649 339 142 | - | - | 649 339 142 | 649 339 142 | - | 100.0% | 600 475 640 | 600 475 640 |
| | GENERAL FUEL LEVY SHARING WITH | 16 849 080 | - | - | 16 849 080 | 16 849 080 | - | 100.0% | 16 126 608 | 16 126 608 |

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

| VOTED FUNDS AND DIRECT CHARGES | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| | METROPOLITAN MUNICIPALITIES | | | | | | | | | |
| | GFECRA | - | - | - | - | - | - | - | 100 000 000 | 100 000 000 |
| | SARB GUARANTEES | 118 590 | - | - | 118 590 | 118,590 | | 100.0% | - | - |
| | AUDITOR-GENERAL OF SOUTH AFRICA | 134 338 | - | - | 134 338 | 134,338 | - | 100.0% | 128 578 | 128 578 |
| | DEBT-SERVICE COSTS | - | - | - | - | - | - | 0.0% | - | - |
| | ESKOM | 80 233 000 | - | - | 80 233 000 | - | 80 233 000 | 0.0% | 64 000 000 | - |
| | CIVIL AND MILITARY PENSIONS CONTRIBUTION AND OTHER BENEFITS | 8 049 084 | - | - | 8 049 084 | 8,006,514 | 42 570 | 99.5% | 7 365 055 | 7 364 497 |
| | **TOTAL** | **789 563 533** | **-** | **-** | **789 563 533** | **708 026 461** | **81 537 072** | **89.7%** | **814 067 891** | **749 352 138** |
| **Reconciliation with Statement of Financial Performance** | | | | | | | | | | |
| **Add:** | | | | | | | | | | |
| | Departmental receipts | | | | 41 013,387 | | | | 110 498 602 | |
| | NRF Receipts | | | | - | | | | - | |
| | Aid assistance | | | | 47 855 | | | | 69 390 | |
| **Actual amounts per Statement of Financial Performance (total revenue)** | | | | | **830 624 775** | | | | **924 635 883** | |
| **Add:** | | | | | | | | | | |
| | Aid assistance | | | | | 45 535 | | | | 41 608 |
| | Prior year unauthorised expenditure approved without funding | | | | | - | | | | - |
| **Actual amounts per Statement of Financial Performance (Total expenditure)** | | | | | | **708 071 996** | | | | **749 393 746** |

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

## APPROPRIATION PER ECONOMIC CLASSIFICATION

| | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Economic Classification** | | | | | | | | | |
| **Current payments** | **3 398 470** | **(93 054)** | **(50 937)** | **3 254 479** | **3 133 627** | **120 852** | **96.3%** | **2 815 626** | **2 635 471** |
| Compensation of employees | 1 074 304 | (7 287) | - | 1 067 017 | 1 020 996 | 46 021 | 95.7% | 975 907 | 970 590 |
| Goods and services | 2 324 166 | (85 767) | (50 937) | 2 187 462 | 2 112 631 | 74 831 | 96.6% | 1 839 719 | 1 664 881 |
| **Transfers and subsidies** | **782 538 561** | **(541 562)** | **-** | **781 996 999** | **701 693 045** | **80 303 954** | **89.7%** | **810 308 386** | **745 776 109** |
| Provinces and municipalities | 670 584 154 | - | - | 670 584 154 | 670 584 153 | 1 | 100.0% | 619 026 228 | 619 026 228 |
| Departmental agencies and accounts | 21 348 448 | 455 | - | 21 348 903 | 21 348 903 | - | 100.0% | 17 997 639 | 17 997 635 |
| Foreign governments and international organisations | 1 860 160 | (558 000) | - | 1 302 160 | 1 279 522 | 22 638 | 98.3% | 1 628 147 | 1 441 832 |
| Public corporations and private enterprises | 80 692 167 | - | - | 80 692 167 | 453 625 | 80 238 542 | 0.6% | 164 344 406 | 100 000 000 |
| Households | 8 053 632 | 15 983 | - | 8 069 615 | 8 026 842 | 42 773 | 99.5% | 7 311 966 | 7 310 414 |
| **Payments for capital assets** | **32 784** | **76 616** | **50 937** | **160 337** | **48 383** | **111 954** | **30.2%** | **126 979** | **123 368** |
| Buildings and other fixed structures | - | 38 291 | 36 742 | 75 033 | 28 312 | 46 721 | 37.7% | - | - |
| Machinery and equipment | 32 704 | 38 220 | 14 195 | 85 119 | 20 071 | 65 048 | 23.6% | 126 532 | 122 921 |
| Software and other intangible assets | 80 | 105 | - | 185 | - | 185 | 0.0% | 447 | 447 |
| **Payment for financial assets** | **3 593 718** | **558 000** | **-** | **4 151 718** | **3 151 406** | **1 000 312** | **75.9%** | **816 900** | **817 190** |
| **Total** | **789 563 533** | **-** | **-** | **789 563 533** | **708 026 461** | **81 537 072** | **89.7%** | **814 067 891** | **749 352 138** |

# PROGRAMME 1: ADMINISTRATION

| SUB PROGRAMME | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **PROGRAMME 1: ADMINISTRATION** | | | | | | | | | | |
| 1. | MINISTRY | 7 352 | - | - | 7 352 | 6 445 | 907 | 87.7% | 5 643 | 5 642 |
| 2. | DEPARTMENTAL MANAGEMENT | 78 156 | 6 339 | - | 84 495 | 79 351 | 5 144 | 93.9% | 89 587 | 88 561 |
| 3. | CORPORATE SERVICES | 274 335 | (14 147) | 14 195 | 274 383 | 216 153 | 58 230 | 78.8% | 301 606 | 300 545 |
| 4. | ENTERPRISE WIDE RISK MANAGEMENT | 45 641 | (2 403) | - | 43 238 | 40 631 | 2 607 | 94.0% | 40 731 | 40 591 |
| 5. | FINANCIAL ADMINISTRATION | 76 193 | 5 005 | - | 81 198 | 66 148 | 15 050 | 81.5% | 62 786 | 62 706 |
| 6. | LEGAL SERVICES | 25 926 | (3 556) | - | 22 370 | 21 124 | 1 246 | 94.4% | 25 973 | 25 912 |
| 7. | INTERNAL AUDIT | 28 150 | (4 109) | - | 24 041 | 23 020 | 1 021 | 95.8% | 24 506 | 24 209 |
| 8. | COMMUNICATIONS | 11 736 | 2 736 | - | 14 472 | 13 804 | 668 | 95.4% | 13 531 | 13 166 |
| 9. | OFFICE ACCOMMODATION | 163 711 | 10 135 | 36 742 | 210 588 | 123 418 | 87 170 | 58.6% | 138 045 | 137 936 |
| | **Total** | **711 200** | **-** | **50 937** | **762 137** | **590 094** | **172 043** | **77.4%** | **702 408** | **699 268** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Current payments** | **677 660** | **(79 082)** | **-** | **598 578** | **536 291** | **62 287** | **89.6%** | **574 171** | **574 057** |
| | Compensation of employees | 273 070 | - | - | 273 070 | 258 884 | 14 186 | 94.8% | 242 820 | 242 775 |
| | Goods and services | 404 590 | (79 082) | - | 325 508 | 277 407 | 48 101 | 85.2% | 331 351 | 331 282 |
| | **Transfers and subsidies** | **5 282** | **2 466** | **-** | **7 748** | **7 589** | **159** | **97.9%** | **10 525** | **9 715** |
| | Departmental agencies and accounts | 2 768 | 455 | - | 3 223 | 3 223 | - | 100.0% | 2 809 | 2 805 |

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

| SUB PROGRAMME | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|
| | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Households | 2 514 | 2 011 | - | 4 525 | 4 366 | 159 | 96.5% | 7 716 | 6 910 |
| **Payments for capital assets** | **28 258** | **76 616** | **50 937** | **155 811** | **46 043** | **109 768** | **29.6%** | **117 712** | **115 250** |
| Buildings and other fixed structures | - | 38 291 | 36 742 | 75 033 | 28 312 | 46 721 | 37.7% | - | - |
| Machinery and equipment | 28 178 | 38 220 | 14 195 | 80 593 | 17 731 | 62 862 | 22.0% | 117 712 | 115 250 |
| Software and other intangible assets | 80 | 105 | - | 185 | - | 185 | 0.0% | - | - |
| **Payment for financial assets** | **-** | **-** | **-** | **-** | **171** | **(171)** | **0.0%** | **-** | **246** |
| **Total** | **711 200** | **-** | **50 937** | **762 137** | **590 094** | **172 043** | **77.4%** | **702 408** | **699 268** |

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | PROGRAMME MANAGEMENT FOR ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH | 52 757 | (1 144) | - | 51 613 | 47 443 | 4 170 | 91.9% | 31 652 | 24 674 |
| 2. | FINANCIAL SECTOR POLICY | 23 406 | 511 | - | 23 917 | 21 430 | 2 487 | 89.6% | 23 659 | 22 101 |
| 3. | TAX POLICY | 34 108 | 298 | - | 34 406 | 26 450 | 7 956 | 76.9% | 31 250 | 26 678 |
| 4. | ECONOMIC POLICY | 35 548 | 335 | - | 35 883 | 33 022 | 2 861 | 92.0% | 34 185 | 29 755 |
| 5. | COOPERATIVE BANKS DEVELOPMENT AGENCY | - | - | - | - | - | - | 0.0% | 16 850 | 16 850 |
| | **Total** | **145 819** | **-** | **-** | **145 819** | **128 345** | **17 474** | **88.0%** | **137 596** | **120 058** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Current payments** | **145 613** | **(790)** | **-** | **144 823** | **127 462** | **17 361** | **88.0%** | **119 437** | **102 153** |
| | Compensation of employees | 92 303 | - | - | 92 303 | 82 715 | 9 588 | 89.6% | 85 178 | 79 049 |
| | Goods and services | 53 310 | (790) | - | 52 520 | 44 747 | 7 773 | 85.2% | 34 259 | 23 104 |
| | **Transfers and subsidies** | **30** | **790** | **-** | **820** | **784** | **36** | **95.6%** | **17 499** | **17 372** |
| | Departmental agencies and accounts | - | - | - | - | - | - | 0.0% | 16 850 | 16 850 |
| | Households | 30 | 790 | - | 820 | 784 | 36 | 95.6% | 649 | 522 |
| | **Payments for capital assets** | **176** | **-** | **-** | **176** | **99** | **77** | **56.3%** | **660** | **533** |
| | Machinery and equipment | 176 | - | - | 176 | 99 | 77 | 56.3% | 660 | 533 |
| | **Payment for financial assets** | **-** | **-** | **-** | **-** | **-** | **-** | **0.0%** | **-** | **-** |
| | **Total** | **145 819** | **-** | **-** | **145 819** | **128 345** | **17 474** | **88.0%** | **137 596** | **120 058** |

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT | 44 163 | (20 612) | - | 23 551 | 21 828 | 1 723 | 92.7% | 18 200 | 17 855 |
| 2. | PUBLIC FINANCE | 79 802 | 7 066 | - | 86 868 | 84 978 | 1 890 | 97.8% | 79 844 | 79 503 |
| 3. | BUDGET OFFICE AND COORDINATION | 140 079 | 14 716 | - | 154 795 | 153 550 | 1 245 | 99.2% | 74 773 | 74 285 |
| 4. | INTERGOVERNMENTAL RELATIONS | 251 246 | (8 660) | (8 000) | 234 586 | 231 676 | 2 910 | 98.8% | 185 026 | 184 292 |
| 5. | FINANCIAL AND FISCAL COMMISSION | 62 966 | - | - | 62 966 | 62 966 | - | 100.0% | 60 266 | 60 266 |
| 6. | FACILITATION OF CONDITNAL GRANTS | 4 395 932 | - | - | 4 395 932 | 4 395 931 | 1 | 100.0% | 2 423 980 | 2 423 980 |
| 7. | CATALYTIC INFRASTRUCTURE AND DEVELOPMENT SUPPORT PROGRAMME | 987 652 | - | - | 987 652 | 995 422 | (7 770) | 100.8% | 809 284 | 628 667 |
| 8. | GOVERNMENT TECHNICAL ADVISORY CENTRE | 432 357 | 7 490 | - | 439 847 | 439 846 | 1 | 100.0% | 417 789 | 120 697 |
| | **Total** | **6 394 197** | **-** | **(8 000)** | **6 386 197** | **6 386 197** | **-** | **100.0%** | **4 069 162** | **3 589 545** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Current payments** | **1 518 668** | **(7 287)** | **(8 000)** | **1 503 381** | **1 509 302** | **(5 921)** | **100.4%** | **1 165 255** | **1 030 076** |
| | Compensation of employees | 286 612 | (7 287) | - | 279 325 | 276 482 | 2 843 | 99.0% | 268 451 | 268 446 |
| | Goods and services | 1 232 056 | - | (8 000) | 1 224 056 | 1 232 820 | (8 764) | 100.7% | 896 804 | 761 630 |
| | **Transfers and subsidies** | **4 874 905** | **7 287** | **-** | **4 882 192** | **4 876 380** | **5 812** | **99.9%** | **2 902 411** | **2 557 998** |
| | Provinces and municipalities | 4 395 932 | - | - | 4 395 932 | 4 395 931 | 1 | 100.0% | 2 423 980 | 2 423 980 |
| | Departmental agencies and accounts | 138 146 | - | - | 138 146 | 138 146 | - | 100.0% | 132 973 | 132 973 |
| | Public corporations and private enterprises | 340 577 | - | - | 340 577 | 335 035 | 5 542 | 86.1% | 344 406 | - |
| | Households | 250 | 7 287 | - | 7 537 | 7 268 | 269 | 96.4% | 1 052 | 1 045 |
| | **Payments for capital assets** | **624** | **-** | **-** | **624** | **515** | **109** | **82.5%** | **1 496** | **1 449** |
| | Machinery and equipment | 624 | - | - | 624 | 515 | 109 | 82.5% | 1 496 | 1 449 |
| | **Payment for financial assets** | **-** | **-** | **-** | **-** | **-** | **-** | **0.0%** | **-** | **22** |
| | **Total** | **6 394 197** | **-** | **(8 000)** | **6 386 197** | **6 386 197** | **-** | **100.0%** | **4 069 162** | **3 589 545** |

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT | 50 489 | (205) | (10 253) | 40 031 | 35 456 | 4 575 | 88.6% | 31 774 | 27 621 |
| 2. | STATE OWNED ENTITY FINANCIAL MANAGEMENT AND GOVERNANCE | 1 845 110 | 327 | - | 1 845 437 | 1 844 554 | 883 | 100.0% | 42 089 | 42 030 |
| 3. | GOVERNMENT DEBT MANAGEMENT | 25 294 | 1 010 | - | 26 304 | 25 787 | 517 | 98.0% | 25 554 | 25 201 |
| 4. | FINANCIAL OPERATIONS | 30 924 | 34 | - | 30 958 | 26 974 | 3 984 | 87.1% | 34 019 | 31 632 |
| 5. | STRATEGY AND RISK MANAGEMENT | 14 546 | (1 166) | - | 13 380 | 10 681 | 2 699 | 79.8% | 11 728 | 11 456 |
| | **Total** | **1 966 363** | **-** | **(10 253)** | **1 956 110** | **1 943 452** | **12 658** | **99.4%** | **145 164** | **137 940** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Current payments** | **166 133** | **(510)** | **(10 253)** | **155 370** | **142 882** | **12 488** | **92.0%** | **143 263** | **136 123** |
| | Compensation of employees | 105 019 | - | - | 105 019 | 98 212 | 6 807 | 93.5% | 96 615 | 96 613 |
| | Goods and services | 61 114 | (510) | (10 253) | 50 351 | 44 670 | 5 681 | 88.7% | 46 648 | 39 510 |
| | **Transfers and subsidies** | **230** | **510** | **-** | **740** | **570** | **170** | **77.0%** | **391** | **388** |
| | Departmental agencies and accounts | - | - | - | - | - | - | 0.0% | - | - |
| | Households | 230 | 510 | - | 740 | 570 | 170 | 77.0% | 391 | 388 |
| | **Payments for capital assets** | **-** | **-** | **-** | **-** | **-** | **-** | **0.0%** | **1 510** | **1 429** |
| | Machinery and equipment | - | - | - | - | - | - | 0.0% | 1 510 | 1 429 |
| | **Payment for financial assets** | **1 800 000** | **-** | **-** | **1 800 000** | **1 800 000** | **-** | **100.0%** | **-** | **-** |
| | **Total** | **1 966 363** | **-** | **(10 253)** | **1 956 110** | **1 943 452** | **12 658** | **99.4%** | **145 164** | **137 940** |

# PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | 66 685 | 7 546 | (2 048) | 72 183 | 69 921 | 2 262 | 96.9% | 61 185 | 60 717 |
| 2. | OFFICE OF THE CHIEF PROCUREMENT OFFICER | 88 415 | 6 972 | - | 95 387 | 91 556 | 3 831 | 96.0% | 87 592 | 86 819 |
| 3. | FINANCIAL SYSTEMS | 370 848 | (2 989) | - | 367 859 | 360 844 | 7 015 | 98.1% | 347 921 | 347 117 |
| 4. | FINANCIAL REPORTING FOR NATIONAL ACCOUNTS | 140 248 | (11 580) | (2 046) | 126 622 | 122 815 | 3 807 | 97.0% | 117 162 | 116 691 |
| 5. | FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT | 136 538 | (692) | (21 590) | 114 256 | 102 377 | 11 879 | 89.6% | 123 269 | 122 771 |
| 6. | SERVICE CHARGES: COMMERCIAL BANKS | 367 | 743 | - | 1 110 | 263 | 847 | 23.7% | 126 | 257 |
| 7. | | | | | | | | | | |
| | **Total** | **803 101** | **-** | **(25 684)** | **777 417** | **747 776** | **29 641** | **96.2%** | **737 255** | **734 372** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Current payments** | **732 238** | **(5 385)** | **(25 684)** | **701 169** | **673 420** | **27 749** | **96.0%** | **667 966** | **665 539** |
| | Compensation of employees | 265 908 | - | - | 265 908 | 255 597 | 10 311 | 96.1% | 236 344 | 236 451 |
| | Goods and services | 466 330 | (5 385) | (25 684) | 435 261 | 417 823 | 17 438 | 96.0% | 431 622 | 429 088 |
| | **Transfers and subsidies** | **67 281** | **5 385** | **-** | **72 666** | **72 623** | **43** | **99.9%** | **64 245** | **64 241** |
| | Departmental agencies and accounts | 65 034 | - | - | 65 034 | 65 034 | - | 100.0% | 62 246 | 62 246 |
| | Households | 2 247 | 5 385 | - | 7 632 | 7 589 | 43 | 99.4% | 1 999 | 1 995 |
| | **Payments for capital assets** | **3 582** | **-** | **-** | **3 582** | **1 726** | **1 856** | **48.2%** | **5 044** | **4 570** |
| | Machinery and equipment | 3 582 | - | - | 3 582 | 1 726 | 1 856 | 48.2% | 4 597 | 4 123 |
| | Software and other intangible assets | - | - | - | - | - | - | 0.0% | 447 | 447 |
| | **Payment for financial assets** | **-** | **-** | **-** | **-** | **7** | **(7)** | **0.0%** | **-** | **22** |
| | **Total** | **803 101** | **-** | **(25 684)** | **777 417** | **747 776** | **29 641** | **96.2%** | **737 255** | **734 372** |

# PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS | 16 001 | (2 222) | - | 13 779 | 10 092 | 3 687 | 73.2% | 18 454 | 16 202 |
| 2. | INTERNATIONAL ECONOMIC COOPERATION | 142 301 | 2 222 | (7 000) | 137 523 | 134 178 | 3 345 | 97.6% | 62 991 | 46 765 |
| 3. | AFRICAN INTEGRATION AND SUPPORT | 1 642 484 | (558 001) | - | 1 084 483 | 1 083 692 | 791 | 99.9% | 1 420 118 | 1 240 538 |
| 4. | INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS | 1 982 431 | 558 000 | - | 2 540 431 | 1 524 235 | 1 016 196 | 60.0% | 997 521 | 992 447 |
| 5. | INTERNATIONAL PROJECTS | 28 240 | 1 | - | 28 241 | 22 574 | 5 667 | 79.9% | 27 158 | 25 497 |
| | **Total** | **3 811 457** | **-** | **(7 000)** | **3 804 457** | **2 774 771** | **1 029 686** | **72.9%** | **2 526 242** | **2 321 449** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Current payments** | **158 158** | **-** | **(7 000)** | **151 158** | **144 270** | **6 888** | **95.4%** | **80 859** | **62 801** |
| | Compensation of employees | 51 392 | - | - | 51 392 | 49 106 | 2 286 | 95.6% | 46 499 | 47 256 |
| | Goods and services | 106 766 | - | (7 000) | 99 766 | 95 164 | 4 602 | 95.4% | 34 360 | 15 545 |
| | **Transfers and subsidies** | **1 859 437** | **(558 000)** | **-** | **1 301 437** | **1 279 273** | **22 164** | **98.3%** | **1 627 926** | **1 441 611** |
| | Foreign governments and international organisations | 1 859 437 | (558 000) | - | 1 301 437 | 1 279 273 | 22 164 | 98.3% | 1 627 897 | 1 441 582 |
| | Households | - | - | - | - | - | - | 0.0% | 29 | 29 |
| | **Payments for capital assets** | **144** | **-** | **-** | **144** | **-** | **144** | **0.0%** | **557** | **137** |
| | Machinery and equipment | 144 | - | - | 144 | - | 144 | 0.0% | 557 | 137 |
| | **Payment for financial assets** | **1 793 718** | **558 000** | **-** | **2 351 718** | **1 351 228** | **1 000 490** | **57.5%** | **816 900** | **816 900** |
| | **Total** | **3 811 457** | **-** | **(7 000)** | **3 804 457** | **2 774 771** | **1 029 686** | **72.9%** | **2 526 242** | **2 321 449** |

## PROGRAMME 7: REVENUE ADMINISTRATION

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | SOUTH AFRICAN REVENUE SERVICE | 15 409 637 | - | - | 15 409 637 | 15 409 637 | - | 100.0% | 12 388 563 | 12 388 563 |
| | **Total** | **15 409 637** | **-** | **-** | **15 409 637** | **15 409 637** | **-** | **100.0%** | **12 388 563** | **12 388 563** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Transfers and subsidies** | **15 409 637** | **-** | **-** | **15 409 637** | **15 409 637** | **-** | **100.0%** | **12 388 563** | **12 388 563** |
| | Departmental agencies and accounts | 15 409 637 | - | - | 15 409 637 | 15 409 637 | - | 100.0% | 12 388 563 | 12 388 563 |
| | **Total** | **15 409 637** | **-** | **-** | **15 409 637** | **15 409 637** | **-** | **100.0%** | **12 388 563** | **12 388 563** |

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

## PROGRAMME 8: FINANCIAL INTELLIGENCE AND STATE SECURITY

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | FINANCIAL INTELLIGENCE CENTRE | 480 989 | - | - | 480 989 | 480 989 | - | 100.0% | 400 871 | 400 871 |
| 2. | SECRET SERVICES | 5 117 536 | | | 5 117 536 | 5 117 536 | - | 100.0% | 4 864 749 | 4 864 749 |
| | **Total** | **5 598 525** | **-** | **-** | **5 598 525** | **5 598 525** | **-** | **100.0%** | **5 265 620** | **5 265 620** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Transfers and subsidies** | **5 598 525** | **-** | **-** | **5 598 525** | **5 598 525** | **-** | **100.0%** | **5 265 620** | **5 265 620** |
| | Departmental agencies and accounts | 5 598 525 | - | - | 5 598 525 | 5 598 525 | - | 100.0% | 5 265 620 | 5 265 620 |
| | **Total** | **5 598 525** | **-** | **-** | **5 598 525** | **5 598 525** | **-** | **100.0%** | **5 265 620** | **5 265 620** |

# APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

## DIRECT CHARGES

| | | 2025/26 | | | | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ADJUSTED BUDGET | SHIFTING OF FUNDS | VIREMENT | FINAL BUDGET | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL BUDGET | FINAL BUDGET | ACTUAL EXPENDITURE |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Sub programme** | | | | | | | | | | |
| 1. | LAND BANK | - | - | - | - | - | - | 0.0% | - | - |
| 2. | PROVINCIAL EQUITABLE SHARE | 649 339 142 | - | - | 649 339 142 | 649 339 142 | - | 100.0% | 600 475 640 | 600 475 640 |
| 3. | GENERAL FUEL LEVY SHARING WITH METROPOLITAN MUNICIPALITIES | 16 849 080 | - | - | 16 849 080 | 16 849 080 | - | 100.0% | 16 126 608 | 16 126 608 |
| 4. | GFECRA | - | - | - | - | - | - | - | 100 000 000 | 100 000 000 |
| 5. | SARB GUARANTEES | 118 590 | - | - | 118 590 | 118 590 | - | 100.0% | | |
| 6. | AUDITOR-GENERAL OF SOUTH AFRICA | 134 338 | - | - | 134 338 | 134 338 | - | 100.0% | 128 578 | 128 578 |
| 7. | DEBT-SERVICE COSTS | - | - | - | - | - | - | 0.0% | - | - |
| 8. | ESKOM | 80 233 000 | - | - | 80 233 000 | - | 80 233 000 | 0.0% | 64 000 000 | - |
| 9. | CIVIL AND MILITARY PENSIONS CONTRIBUTION AND OTHER BENEFITS | 8 049 084 | | | 8 049 084 | 8 006 514 | 42 570 | 100.0% | 7 365 055 | 7 364 497 |
| | **Total** | **754 723 234** | **-** | **-** | **754 723 234** | **674 447 664** | **80 275 570** | **89.4%** | **788 095 881** | **724 095 323** |
| | | | | | | | | | | |
| **Economic classification** | | | | | | | | | | |
| | **Current payments** | **-** | **-** | **-** | **-** | **-** | **-** | **0.0%** | **64 675** | **64 722** |
| | Compensation of employees | - | - | - | - | - | - | 0.0% | - | - |
| | Goods and services | - | - | - | - | - | - | 0.0% | 64 675 | 64 722 |
| | **Transfers and subsidies** | **754 723 234** | **-** | **-** | **754 723 234** | **674 447 664** | **80 275 570** | **89.4%** | **788 031 206** | **724 030 601** |
| | Provinces and municipalities | 666 188 222 | - | - | 666 188 222 | 666 188 222 | - | 100.0% | 616 602 248 | 616 602 248 |
| | Departmental agencies and accounts | 134 338 | - | - | 134 338 | 134 338 | - | 100.0% | 128 578 | 128 578 |
| | Foreign governments and international organisations | 723 | - | - | 723 | 249 | 474 | 34.4% | 250 | 250 |
| | Public corporations and private enterprises | 80 351 590 | - | - | 80 351 590 | 118 590 | 80 233 000 | 0.1% | 164 000 000 | 100 000 000 |
| | Households | 8 048 361 | - | - | 8 048 361 | 8 006 265 | 42 096 | 99.5% | 7 300 130 | 7 299 525 |
| | **Total** | **754 723 234** | **-** | **-** | **754 723 234** | **674 447 664** | **80 275 570** | **89.4%** | **788 095 881** | **724 095 323** |

2025/26
National Treasury
# ANNUAL REPORT
Vote 8

PART F
# ANNUAL FINANCIAL STATEMENTS

NOTES TO THE **APPROPRIATION STATEMENT**

**For the period ended 31 March 2026**

# NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

**1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Details of these transactions can be viewed in the note on Transfers and subsidies and Annexure 1 (A-H) to the Annual Financial Statements

**2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**

Details of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

**3. Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

**4. Explanations of variances (after Virement):**

**4.1 Per programme:**

| | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|---|---|---|---|---|
| | R '000 | R '000 | R '000 | % |
| **ADMINISTRATION** | **762 137** | **590 094** | **172 043** | **22.6%** |

The variance is mainly attributable to lower than anticipated payment of invoices received from contractors for tenant installation costs under Goods and Services for the Riverwalk Park offices, following the resumption of preparatory works which will continue into the next financial year. The underspending under Capex is due to delays in the delivery of ICT infrastructure for the Riverwalk Park offices due to uncertainty regarding the relocation date, as the preparatory construction works at the new premises are currently underway, the payment of the ICT infrastructure can only be processed upon delivery of the goods, and due to the second batch of laptops, procured through the centralization of funds, which has not been delivered yet due to the shortage of parts. The unspent funds will form part of the roll over submission.

| | | | | |
|---|---|---|---|---|
| **ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH** | **145 819** | **128 345** | **17 474** | **12.0%** |

The variance is mainly attributed to the Compensation of Employees and due to vacant positions, that have not yet been filled, and within Goods and Services mainly on GTAC Consultancy services for lower than anticipated expenditure, and Travel & Subsistence for lower spending on travel and more virtual engagements and meetings. The unspent funds will be declared back to fiscus.

| | | | | |
|---|---|---|---|---|
| **PUBLIC FINANCE AND BUDGET MANAGEMENT** | **6 386 197** | **6 386 197** | **-** | **0.0%** |

An appropriated budget for Programme 3 was fully utilised during the financial year.

| | | | | |
|---|---|---|---|---|
| **ASSET AND LIABILITY MANAGEMENT** | **1 956 110** | **1 943 452** | **12 658** | **0.6%** |

The variance is mainly attributed to the Compensation of Employees, and lower than anticipated expenditure on Goods and Services mainly for the Consultancy Services on the support and maintenance of the Back Office System within DDG: Asset and Liability Management and Computer Services with lower expenditure on procurement and less Bloomberg terminals as a result of the move from 240 Madiba building. The unspent funds will be declared back to fiscus.

# NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | |
|---|---|---|---|---|
| **FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS** | **777 417** | **747 776** | **29 641** | **3.8%** |

The variance is mainly attributable to Compensation of Employees due to slow filling of vacant positions in various units within the programme, Consultancy Services due to delay in procurement processes for the appointment of a panel of forensic investigators required to do performance audits in municipalities and Travel and Subsistence due to less business traveling for domestic and international conferences. The unspent funds will be declared back to fiscus.

| | | | | |
|---|---|---|---|---|
| **INTERNATIONAL FINANCIAL RELATIONS** | **3 804 457** | **2 774 771** | **1 029 686** | **27.1%** |

The variance is mainly attributable to IFC shares that were never purchased, as the funds were never requested, and underspending on Compensation of Employees due to delays in filling vacant posts. Additional savings were realised on related administrative costs, including travel and operating expenses. The unspent funds will be surrendered to the fiscus.

| | | | | |
|---|---|---|---|---|
| **REVENUE ADMINISTRATION** | **15 409 637** | **15 409 637** | **-** | **0.0%** |

The appropriated budget was transferred to South African Revenue Services.

| | | | | |
|---|---|---|---|---|
| **FINANCIAL INTELLIGENCE AND STATE SECURITY** | **5 598 525** | **5 598 525** | **-** | **0.0%** |

The appropriated budget was transferred to Financial Intelligence and State Security.

**4.2 Per economic classification:**

| | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | % |
| **Current expenditure** | **3 254 479** | **3 133 627** | **120 852** | **0.0%** |
| Compensation of employees | 1 067 017 | 1 020 996 | 46 021 | 4.3% |
| Goods and services | 2 187 462 | 2 112 631 | 74 831 | 3.4% |
| Interest and rent on land | - | - | - | 0.0% |
| **Transfers and subsidies** | **781 996 999** | **701 693 045** | **80 303 954** | |
| Provinces and municipalities | 670 584 154 | 670 584 153 | 1 | 0.0% |
| Departmental agencies and accounts | 21 348 903 | 21 348 903 | - | 0.0% |
| Higher education institutions | - | - | - | - |
| Public corporations and private enterprises | 80 692 167 | 453 625 | 80 238 542 | 99.4% |
| Foreign governments and international organisations | 1 302 160 | 1 279 522 | 22 638 | 1.7% |
| Non-profit institutions | - | - | - | - |
| Households | 8 069 615 | 8 026 842 | 42 773 | 0.5% |
| **Payments for capital assets** | **160 337** | **48 383** | **111 954** | |
| Buildings and other fixed structures | 75 033 | 28 312 | 46 721 | 62.3% |
| Machinery and equipment | 85 119 | 20 071 | 65 048 | 76.4% |
| Heritage assets | - | - | - | 0.0% |
| Specialised military assets | - | - | - | 0.0% |
| Biological assets | - | - | - | 0.0% |
| Land and subsoil assets | - | - | - | 0.0% |
| Software and other intangible assets | 185 | - | 185 | 100.0% |
| **Payments for financial assets** | 4 151 718 | 3 151 406 | 1 000 312 | 24.1% |
| | **789 563 533** | **708 026 461** | **81 537 072** | **10%** |

# NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

The variance of R81.5 billion largely consists of R80 billion transferred to ESKOM for debt relief as a loan, which does not constitute actual expenditure in the accounting records of National Treasury. The remaining balance mainly relates to the R233 million portion of the ESKOM allocation not transferred and to be surrendered back, R1 billion allocation related to IFC shares not purchased by 31 March 2026, as well as R262 million, of which R70 million relates to advances made to MFIP, CSP and IDMS for the IDMS-BOK during the 2025/26 financial year, and therefore does not constitute underspending.

| 4.3 Per conditional grant | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | % |
| *Only show the conditional grants applicable to the department* | | | | |
| Infrastructure skills development grant | 172 774 | 172 774 | - | 0.0% |
| Urban Development Financing Grant | 3 091 076 | 3 091 076 | - | 0.0% |
| Local government financial management grant | 589 685 | 589 685 | - | 0.0% |
| Neighbourhood development partnership grant | 542 397 | 542 396 | 1 | 0.0% |
| **Sub-total** | **4 395 932** | **4 395 931** | **1** | **0.0%** |
| Neighbourhood Development Partnership Indirect Grant | 99 140 | 99 140 | - | 0.0% |
| **Total** | **4 495 072** | **4 495 071** | **1** | **0.0%** |

The appropriated budget was transferred to All municipalities.

| 4.4 Per statutory appropriation | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | % |
| Provincial Equitable Share | 649 339 142 | 649 339 142 | - | 0% |
| General Fuel Levy Sharing with Metropolitan Municipalities | 16 849 080 | 16 849 080 | - | 0% |
| Auditor-General of South Africa | 134 338 | 134 338 | - | 0% |
| Eskom | 80 233 000 | - | 80 233 000 | 100% |
| Civil and Military Pensions Contributions and Other Benefits | 8 049 084 | 8 006 514 | 42 570 | 1% |
| SARB | 118 590 | 118 590 | - | 0% |
| **Total** | **754 723 234** | **674 447 664** | **80 275 570** | **11%** |

The variance is mainly attributable to R80 billion that was transferred to ESKOM for debt relief as a loan.

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2026

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **REVENUE** | - | | |
| Annual appropriation | *1* | 34 840 299 | 25 972 010 |
| Statutory appropriation | *2* | 754 723 234 | 788 095 881 |
| Departmental revenue | *3* | 41 013 387 | 110 498 602 |
| NRF Receipts | | - | - |
| Aid assistance | - | 47 855 | 69 390 |
| | - | | |
| **TOTAL REVENUE** | **-** | **830 624 775** | **924 635 883** |
| | - | | |
| **EXPENDITURE** | - | | |
| **Current expenditure** | - | | |
| Compensation of employees | *5* | 1 020 996 | 970 590 |
| Goods and services | *6* | 2 112 628 | 1 664 881 |
| Interest and rent on land | | | |
| Aid assistance | *4* | 45 535 | 41 608 |
| **Total current expenditure** | **-** | **3 179 159** | **2 677 079** |
| | - | | |
| **Transfers and subsidies** | - | | |
| Transfers and subsidies | *8* | 701 693 043 | 745 776 109 |
| Aid assistance | *4* | - | - |
| **Total transfers and subsidies** | **-** | **701 693 043** | **745 776 109** |
| | - | | |
| **Expenditure for capital assets** | - | | |
| Tangible assets | *9* | 48 386 | 122 921 |
| Intangible assets | *9* | - | 447 |
| **Total expenditure for capital assets** | **-** | **48 386** | **123 368** |
| Unauthorised expenditure approved without funding | - | - | - |
| | - | | |
| **Payments for financial assets** | ***7*** | **3 151 408** | **817 190** |
| | - | | |
| **TOTAL EXPENDITURE** | **-** | **708 071 996** | **749 393 746** |
| | - | | |
| **SURPLUS/(DEFICIT) FOR THE YEAR** | **-** | **122 552 779** | **175 242 137** |
| | - | | |
| **Reconciliation of Net Surplus/(Deficit) for the year** | - | | |
| **Voted Funds** | **-** | **81 537 072** | **64 715 753** |
| Annual appropriation | - | 1 261 502 | 715 753 |
| Statutory Appropriation | - | 80 275 570 | 64 000 000 |
| Conditional grants | - | - | - |
| Departmental revenue and NRF Receipts | *17* | 41 013 387 | 110 498 602 |
| Aid assistance | *4* | 2 320 | 27 782 |
| **SURPLUS/(DEFICIT) FOR THE YEAR** | | **122 552 779** | **175 242 137** |

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2026

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | **80 320 627** | **56 892 001** |
| Cash and cash equivalents | 10 | 132 557 | 226 848 |
| Other financial assets | - | - | - |
| Prepayments and advances | 11 | 98 253 | 131 756 |
| Receivables | 12 | 14 310 | 401 823 |
| Loans | 14 | 80 075 507 | 56 131 574 |
| Voted funds receivable | 15 | - | - |
| Statutory Appropriation receivable | 16 | - | - |
| **Non- Current Assets** | | **37 024 655** | **36 635 446** |
| Investments | 13 | 36 597 656 | 36 597 656 |
| Prepayments and advances | 11 | 19 043 | 18 635 |
| Receivables | 12 | 407 956 | 19 155 |
| **TOTAL ASSETS** | | **117 345 282** | **93 527 447** |
| **LIABILITIES** | | | |
| **Current Liabilities** | | **671 621** | **797 485** |
| Voted funds to be surrendered to the Revenue Fund | 15 | 261 502 | 238 047 |
| Advance payments to entities | 15 | - | 477 706 |
| Statutory Appropriation to be surrendered to the Revenue Fund | 16 | 275 570 | - |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 17 | 87 733 | 8 724 |
| Bank overdraft | - | - | - |
| Payables | 18 | 44 561 | 45 225 |
| Aid assistance repayable | 4 | 2 255 | 27 782 |
| **Non - Current Liabilities** | | | |
| Payables | | - | - |
| **TOTAL LIABILITIES** | | **671 621** | **797 485** |
| **NET ASSETS** | | **116 673 661** | **92 729 962** |
| **Represented by:** | | | |
| Capitalisation reserve | | 116 597 656 | 92 597 656 |
| Recoverable revenue | | 76 005 | 132 306 |
| **TOTAL** | | **116 673 661** | **92 729 962** |

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2026

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **Capitalisation Reserves** | | | |
| Opening balance | | 92 597 656 | 68 597 656 |
| Transfers: | | | |
| Movement in Equity | | - | - |
| Movement in Operational Funds | | - | - |
| Other movements | | 24 000 000 | 24 000 000 |
| **Closing balance** | | **116 597 656** | **92 597 656** |
| | | | |
| **Recoverable revenue** | | | |
| Opening balance | | 132 306 | 568 |
| Transfers | | **-56 301** | **131 738** |
| Recoverable revenue written off | | - | - |
| Debts revised | | - | - |
| Interest on Loans | | 75 507 | 131 574 |
| Interest Received | | -131 574 | - |
| Debts recovered (included in departmental revenue) | | - | - |
| Debts raised | | -234 | 164 |
| **Closing balance** | | **76 005** | **132 306** |
| | | | |
| **TOTAL** | | **116 673 661** | **92 729 962** |

# STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2026

| | Notes | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Receipts** | | **829 624 726** | **1 024 442 587** |
| Annual appropriated funds received | 1.1 | 33 840 299 | 25 972 010 |
| Statutory appropriated funds received | 2 | 754 723 234 | 788 095 881 |
| Departmental revenue received | 3 | 25 618 458 | 200 374 949 |
| Interest received | 3.2 | 15 394 880 | 9 930 357 |
| NRF Receipts | | - | - |
| Aid assistance received | 4 | 47 855 | 69 390 |
| Net (increase)/ decrease in working capital | | 419 944 | (416 299) |
| (Surrendered to) / Received from the Revenue Fund | | (121 650 132) | (274 916 102) |
| Surrendered to RDP Fund/Donor | | (27 847) | (17 265) |
| Current payments | | (3 179 160) | (2 677 079) |
| Interest paid | - | - | - |
| Payments for financial assets | | (3 151 408) | (817 190) |
| Transfers and subsidies paid | | (701 693 043) | (745 776 109) |
| **Net cash flow available from operating activities** | **19** | **343 080** | **(177 457)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Distribution/dividend received | | - | 193 296 |
| Payments for capital assets | 9 | (48 386) | (123 368) |
| Proceeds from sale of capital assets | 3.3 | 49 | - |
| (Increase)/ decrease in loans | | (23 943 932) | (24 000 000) |
| (Increase)/ decrease in investments | | - | - |
| (Increase)/ decrease in other financial assets | | | |
| (Increase)/decrease in non-current receivables | 12 | (388 801) | 1 344 |
| **Net cash flows from investing activities** | | **(24 381 070)** | **(23 928 728)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Increase/ (decrease) in net assets | | 23 943 699 | 24 000 164 |
| **Net cash flows from financing activities** | | **23 943 699** | **24 000 164** |
| Net increase/(decrease)in cash and cash equivalents | | (94 291) | (106 021) |
| Cash and cash equivalents at beginning of period | | 226 848 | 332 869 |
| **Cash and cash equivalents at the end of the period** | **20** | **132 557** | **226 848** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

## PART A: ACCOUNTING POLICIES

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the following policies which have been applied consistently in all material aspects unless otherwise indicated. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

The historical cost convention has been used except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA) Act 1 of 1999 (as mended by Act 29 of 1999) and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

### 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

### 2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

### 3. PRESENTATION CURRENCY

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

### 4. ROUNDING

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

### 5. FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

## 6. COMPARATIVE INFORMATION

### 6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

### 6.2 Current year comparison with budget

A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## 7. REVENUE

### 7.1 Appropriated funds

Appropriated funds comprise of departmental allocations and direct charges against the revenue fund (i.e. statutory appropriation, which are direct charges against the Revenue Fund authorised in terms of enabling legislation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Appropriated funds are measured at the amount's receivable.

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

### 7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

### 7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- The amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy.

## 8. EXPENDITURE

### 8.1 Compensation of employees

#### 8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

#### 8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

### 8.2 Other expenditure

Other expenditure (such as goods and services transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

### 8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

### 8.4 Leases

#### 8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the financial statements.

#### 8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:

- the fair value of the leased asset; or if lower; and
- the present value of the minimum lease payments.

Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.

## 9. AID ASSISTANCE

### 9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

CARA Funds are recognised when receivable and measured at the amount's receivable.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

### 9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

## 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand deposits held other short-term highly liquid investments and bank overdrafts.

## 11. PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances expensed before 1 April 2024 are recorded until the goods and services are received.

## 12. LOANS AND RECEIVABLES

Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written off. Write-offs are made according to the department's write-off policy.

## 13. INVESTMENTS

Investments are recognised in the statement of financial position at cost.

## 14. FINANCIAL ASSETS

### 14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date a department shall measure its financial assets at cost less amounts already settled or written off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.

### 14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset an estimation of the reduction in the recorded carrying value to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset is recorded in the notes to the financial statements.

The department has adopted a policy to assess impairment on investments end of each financial year.

## 15. PAYABLES

Payables are recognised in the statement of financial position at cost.

## 16. CAPITAL ASSETS

### 16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value [or R1000 for specific assets per MCS 11.72A] where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

### 16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably the movable capital assets are measured at fair value and where fair value cannot be determined the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department

### 16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a no exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or Impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

### 16.4 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

## 17. PROVISIONS CONTINGENCIES AND COMMITMENTS

### 17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation exists as a result of past events; it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

### 17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

The department discloses claims that affect National Treasury's vote number 8 as mandated by parliament. Claims against other government departments or public entities are excluded.

### 17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and where existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

### 17.4 Capital commitments

Capital commitments (other than transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future capital expenditure that will result in the outflow of cash.

## 18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprises of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

## 19. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of.

- fruitless and wasteful expenditure relating to previous financial year and identified in the current year;
- fruitless and wasteful expenditure incurred in the current year;
- fruitless and wasteful expenditure that was under assessment in the previous financial
- year and confirmed in the current financial year

## 20. IRREGULAR EXPENDITURE

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year;
- irregular expenditure incurred in the current year;

## 21. CHANGES IN ACCOUNTING POLICIES ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with Modified Cash Standard (MCS) requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.

## 22. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

## 23. PRINCIPAL - AGENT ARRANGEMENTS

The department is party to a principal-agent arrangement for administrative services rendered on behalf of the National Treasury with respect to Civil and Military Pensions Contributions (GPAA mainly), technical assistance services through Government Technical Advisory Centre with respect to Jobs Fund and NDP program, Development Bank of Southern Africa with respect to Cities support programme The department is the Principal and provides funding and other benefits to the entities for services rendered on its behalf. In terms of these arrangements the department is the principal and is responsible for providing funding for the programmes. All related revenues expenditures assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

## 24. CAPITALISATION RESERVE

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed, and the related funds are received.

## 25. RECOVERABLE REVENUE

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

## 26. RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

## 27. EMPLOYEE BENEFITS

The value of each major class of employee benefit obligation (accruals payables not recognised and provisions) is disclosed in the Employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

# PART B: EXPLANATORY NOTES

**1 Annual Appropriation**

| | Final Budget | Actual Funds Received | Funds not requested/ not received | Final Budget | Appropriation Received | Funds not requested/ not received |
|---|---|---|---|---|---|---|
| **Programmes** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** |
| 1) ADMINISTRATION | 762 137 | 762 137 | - | 702 408 | 702 408 | - |
| 2) ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH | 145 819 | 145 819 | - | 137 596 | 137 596 | - |
| 3) PUBLIC FINANCE AND BUDGET MANAGEMENT | 6 386 197 | 6 386 197 | - | 4 069 162 | 4 069 162 | - |
| 4) ASSET AND LIABILITY MANAGEMENT | 1 956 110 | 1 956 110 | - | 145 164 | 145 164 | - |
| 5) FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | 777 417 | 777 417 | - | 737 255 | 737 255 | - |
| 6) INTERNATIONAL FINANCIAL RELATIONS | 3 804 457 | 2 804 457 | 1,000,000 | 2 526 242 | 2 526 242 | - |
| 7) REVENUE ADMINISTRATION | 15 409 637 | 15 409 637 | - | 12 388 563 | 12 388 563 | - |
| 8) FINANCIAL INTELLIGENCE AND STATE SECURITY | 5 598 525 | 5 598 525 | - | 5 265 620 | 5 265 620 | - |
| **Total** | **34 840 299** | **33 840 299** | **1,000,000** | **25 972 010** | **25 972 010** | **-** |

The R1 billion was not requested because the deadline for purchasing the International Finance Corporation (IFC) shares under the World Bank expired on 16 April 2026. Although the Special Appropriation Act was approved on 25 May 2026, thereby authorising the purchase of the shares, the World Bank's subscription deadline had already lapsed. Consequently, the share purchase could not proceed, resulting in the funds not being requested.

| 2 | Statutory Appropriation | *Note* | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| | LAND BANK | | - | - |
| | PROVINCIAL EQUITABLE SHARE | | 649 339 142 | 600 475 640 |
| | GENERAL FUEL LEVY SHARING WITH METROPOLITAN MUNICIPALITIES | | 16 849 080 | 16 126 608 |
| | AUDITOR-GENERAL OF SOUTH AFRICA | | 134 338 | 128 578 |
| | ESKOM | | 80 233 000 | 64 000 000 |
| | CIVIL AND MILITARY PENSIONS CONTRIBUTION AND OTHER BENEFITS | | 8 049 084 | 7 365 055 |
| | GOLD AND FOREIGN EXCHANGE CONTINGENCY RESERVE | | - | 100 000 000 |
| | SARB GUARANTEES | | 118 590 | - |
| | | | - | - |
| | | | **754 723 234** | **788 095 881** |
| | | | - | - |
| | Actual Statutory Appropriation received | | 754 723 234 | 788 095 881 |
| | Statutory Appropriation not requested / not received | | - | - |

National Treasury decided to increase the Eskom loan allocations as per the Eskom Debt Relief Act 2023 and Amendment Act of 2025 from R64 billion in 2024/25 to R80.233 billion in 2025/26, of which R80 billion that was paid in Q4 as requested by Eskom Cash Flow Requirement and R233 million is to be paid back to the fiscus. The increase is aimed at supporting debt repayment and stabilising the utility's financial position.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **3** | **Departmental Revenue** | | | |
| | Tax revenue | | | |
| | Sales of goods and services other than capital assets | 3.1 | 119 543 | 353 849 |
| | Interest, dividends and rent on land | 3.2 | 15 394 880 | 10 123 653 |
| | Sales of capital assets | 3.3 | 49 | - |
| | Transactions in financial assets and liabilities | 3.4 | 25 498 915 | 200 021 090 |
| | Transfers received | | - | - |
| | Total revenue collected | 17.0 | **41 013 387** | **210 498 602** |
| | Less: Own revenue included in appropriation | | - | 100 000 000 |
| | **Departmental revenue collected** | | **41 013 387** | **110 498 602** |

In the current financial year, the National Treasury received R25 billion from the South African Reserve Bank (SARB) Gold and Foreign Exchange Contingency Reserve Account (GFECRA) and R15.3 million for interest received.

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **3.1 Sales of goods and services other than capital assets** | | | |
| Sales of goods and services produced by the department | 3.0 | 119 304 | 353 790 |
| Sales by market establishment | | 16 | 67 |
| Administrative fees | | 1 | 1 |
| Other sales | | 119 287 | 353 722 |
| Sales of scrap, waste and other used current goods | | 239 | 69 |
| **Total** | | **119 543** | **353 859** |

The decrease is attributable to R353.5 million for SANRAL Guarantee in 2024/25 financial year, which was not incurred in 2025/26 financial year. In the 2025/26 financial year, the R119 million is mainly to the guarantee fees from Transnet, DBSA and SAA.

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **3.2 Interest, dividends and rent on land** | 3.0 | | |
| Interest | | 15 394 880 | 9 930 357 |
| Dividends | | - | 193 296 |
| Rent on land | | - | - |
| **Total** | | **15 394 880** | **10 123 653** |

Interest income is a large contributor to the departmental revenue in the 2025/26 financial year, mainly Tax and Loans Account and Foreign Currency Deposits. Interest received from the Tax and Loans Account relates to the higher tax and loan balances at the South African Reserve Bank (SARB). Interest received from foreign currency deposits relates to the actively managed portfolios at the South African Reserve Bank (SARB) that have generated positive absolute returns in reporting currency. The interest earned on the Inter-Governmental Cash Coordination (IGCC) account increases as the investments by National Treasury in the IGCC account earned interest on the duration of the investment.

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **3.3 Sales of capital assets** | 3.0 | | |
| **Tangible capital assets** | | **49** | |
| Buildings and other fixed structures | | - | - |
| Machinery and equipment | | 49 | - |
| **Total** | | **49** | **-** |

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **3.4 Transactions in financial assets and liabilities** | 3.0 | | |
| Loans and advances | | - | - |
| Receivables | | 7 846 | 9 056 |
| Forex gain | | - | - |
| Other Receipts including Recoverable Revenue | | 25 491 069 | 200 012 034 |
| Gains on GFECRA | | - | - |
| **Total** | | **25 498 915** | **200 021 090** |

In the current year Government received R25 billion from the SARB GFECRA and in 2024/25 financial NT received R200 billion, R100 billion for GFECRA and contributed R100 billion to the SARB Contingency Reserve Account

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **3.5 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)** | ANNEXURE 1H | | |
| (Treasury Regulation 21.2.4) | | | |
| Gifts | | 15 | 12 |
| Sponsorships | | 39 737 | 23 976 |
| **Total** | | **39 752** | **23 988** |

The increase of R39 737 million on sponsorships is mainly attributable to R38 035 million relating to the hosting of G20 summit in South Africa and the balance relates sponsorship offered in kind to National Treasury's employees for training and development purposes

**3.6 Cash received not recognised (not included in the main note) – 2025/26**

| Name of entity | Amount received | Amount paid to Revenue Fund | Balance |
|---|---|---|---|
| | R'000 | R'000 | R'000 |
| Funds surrendered by Municipalities | 328 376 | 328 376 | - |
| **Total** | **328 376** | **328 376** | **-** |

**3.7 Cash received not recognised (not included in the main note) – 2024/25**

| Name of entity | Amount received | Amount paid to Revenue Fund | Balance |
|---|---|---|---|
| | R'000 | R'000 | R'000 |
| Funds surrendered by Municipalities | 39 718 | 39 718 | - |
| **Total** | **39 718** | **39 718** | **-** |

| | | 2025/26 | 2024/25 |
|---|---|---|---|
| | | R'000 | R'000 |
| **4** | **Aid Assistance** | | |
| | Opening Balance | **27 782** | **17 265** |
| | As restated | 27 782 | 17 265 |
| | Transferred from statement of financial | 2 320 | 27 782 |
| | performance | (27 847) | (17 265) |
| | Paid during the year | | |
| | **Closing Balance** | **2 255** | **27 782** |

Aid assistance relates to funds received from various donors (refer to annexure 1I). The closing balance of R2.255 million is the balance of the funds received in (2025/26) FY not yet spent, which is largely made by R2.188 million for Conducting Independent Audits on the MSCOA [CONDUCT IND AUDITS ON MSCOA (GA)].

| | | *Note* | R'000 | R'000 |
|---|---|---|---|---|
| **4.1** | **Analysis of balance by source** | 4,0 | | |
| | Aid assistance from RDP | | 2 255 | 27 782 |
| | **Closing Balance** | | **2 255** | **27 782** |

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | *Note* | R'000 | R'000 |
| **4.2** | **Analysis of balance** | | | |
| | Aid assistance repayable | | 2 255 | 27 782 |
| | **Closing balance** | 4.0 | **2 255** | **27 782** |

**4.2.1 Aid assistance prepayments (expensed) – 2025/26**

| | Amount as at 1 April 2025 | Less: Received in the current year | Less: Other | Amount as at 31 March 2026 |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 |
| Goods and services | - | | | - |
| **Closing balance** | - | | | - |

**Aid assistance prepayments (expensed) – 2024/25**

| | Amount as at 1 April 2024 | Less: Received in the current year | Add/Less: Other | Add: Current Year prepayments | Amount as at 31 March 2025 |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Goods and services | 17 265 | (17 265) | | | - |
| **Closing balance** | **17 265** | **(17 265)** | | | **-** |

| | Note | 2025/26 | 2024/25 |
|---|---|---|---|
| | | R'000 | R'000 |
| **4.3 Aid assistance expenditure per economic classification** | | | |
| Current | | 45 535 | 41 608 |
| **Total aid assistance expenditure** | | **45 535** | **41 608** |

The aid assistance expenditure increased from R41.6 million in 2024/25 financial year to R45.5 million in the 2025/26 financial year.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | Note | 2025/25 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **5 Compensation of Employees** | | | |
| **5.1 Salaries and wages** | | | |
| Basic salary | | 710 422 | 674 048 |
| Performance award | | - | 421 |
| Service Based | | 523 | 793 |
| Compensative/circumstantial | | 10 644 | 8 553 |
| Other non-pensionable allowances | | 190 132 | 182 177 |
| **Total** | | **911 721** | **865 992** |

There is an increase on compensation of employees due to cost-of-living adjustment on the 01 April 2025.

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **5.2 Social Contributions** | | | |
| **Employer contributions** | | - | - |
| Pension | | 86 163 | 82 674 |
| Medical | | 22 906 | 21 791 |
| Bargaining council | | 206 | 133 |
| **Total** | | **109 275** | **104 598** |
| **Total compensation of employees** | | **1 020 996** | **970 590** |
| Average number of employees | | 1 056 | 1 068 |

| | 2025/26 | 2024/25 |
|---|---|---|

| | | Note | R'000 | R'000 |
|---|---|---|---|---|
| **6** | **Goods and services** | | | |
| | Administrative fees | | 4 478 | 2 783 |
| | Advertising | | 635 | 635 |
| | Minor assets | 6.1 | 750 | 750 |
| | Bursaries (employees) | | 6 081 | 5 976 |
| | Catering | | 1 015 | 1 039 |
| | Communication | | 10 031 | 10 729 |
| | Computer services | 6.2 | 448 009 | 437 780 |
| | Consultants: Business and advisory services | | 625 439 | 438 773 |
| | Infrastructure and planning services | | 2 707 | - |
| | Legal services | | 9 819 | 16 765 |
| | Contractors | | 25 273 | 18 680 |
| | Agency and support / outsourced services | | 7 740 | 8 148 |
| | Entertainment | | 62 | 58 |
| | Audit cost – external | 6.3 | 19 081 | 18 992 |
| | Fleet services | | 5 243 | 4 412 |
| | Inventory | | 724 071 | 499 982 |
| | Consumables | 6.4 | 6 240 | 8 380 |
| | Operating leases | | 62 207 | 92 432 |
| | Property payments | 6.5 | 8 867 | 23 778 |
| | Travel and subsistence | 6.6 | 81 657 | 50 566 |
| | Venues and facilities | | 46 140 | 9 002 |
| | Training and development | | 9 030 | 9 773 |
| | Other operating expenditure | 6.7 | 8 053 | 5 745 |
| | **Total** | | **2 112 628** | **1 664 881** |

Inventory: The increase is primarily due to the expenditure incurred on Inventory relating to the Smart Meters project.
Consultants: Business and advisory Service, specialised audit services for forensic investigations and OCPO.
Computer Services: The expenditure is mainly attributed to Programme 1 for the Software licenses and Programme 5 for Financial Systems.
Operating leases: The expenditure is mainly attributable to Programme 1 for Office accommodation and rental charges for 40 Church and SITA Buildings.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.1 Minor assets** | 6 | | |
| **Tangible capital assets** | | **750** | **440** |
| Machinery and equipment | | 750 | 440 |
| **Total** | | **750** | **440** |

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.2 Computer services** | 6 | | |
| SITA computer services | | 41 394 | 37 485 |
| External computer service providers | | 406 615 | 400 295 |
| **Total** | | **448 009** | **437 780** |

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.3 Audit cost – external** | 6 | | |
| Regularity audits | | 19 081 | 18 992 |
| **Total** | | **19 081** | **18 992** |

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.4 Consumables** | 6 | | |
| Consumable supplies | | 2 329 | 3 001 |
| Uniform and clothing | | 287 | 115 |
| Household supplies | | 591 | 1 138 |
| Building material and supplies | | 51 | 467 |
| Communication accessories | | 144 | 4 |
| IT consumables | | - | 740 |
| Other consumables | | 1 256 | 537 |
| Stationery, printing and office supplies | | 3 911 | 5 379 |
| **Total** | | **6 240** | **8 380** |

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.5 Inventories** | 6 | | |
| Materials and supplies | | 724 071 | 499 982 |
| **Total** | | **724 071** | **499 982** |

Inventory: The increase is primarily due to the expenditure incurred on Inventory relating to the Smart Meters project.

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.6 Property payments** | 6 | | |
| Municipal services | | 7 287 | 20 936 |
| Property management fees | | 1 017 | 2 507 |
| Other | | 563 | 335 |
| **Total** | | **8 867** | **23 778** |

The municipal services amount is less in the current financial year due to the non-renewal of the contract at the 240 Madiba building.

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.7 Travel and subsistence** | 6 | | |
| Local | | 52 540 | 26 820 |
| Foreign | | 29 117 | 23 746 |
| **Total** | | **81 657** | **50 566** |

The Domestic travel and subsistence majority is related to the G20 travel.

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **6.8 Other operating expenditure** | 6 | | |
| Professional bodies, membership and subscription fees | | 4 662 | 3 829 |
| Resettlement costs | | 505 | 255 |
| Other | | 2 886 | 1 661 |
| **Total** | | **8 053** | **5 745** |

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **7** | **Payments for financial assets** | | | |
| | Extension of loans for policy purposes | | 3 151 229 | 816 900 |
| | Debts written off | 7.1 | 179 | 290 |
| | **Total** | | **3 151 408** | **817 190** |

Extension of loans for policy purposes relates to R1.8 billion paid to Development Bank of Southern Africa (DBSA) for the capitalisation contribution related to Credit Guarantee Vehicle (CGV) and R1.3 billion paid is for the subscription of shares in the African Development Bank on behalf of South Africa.

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **7.1** | **Debts written off** | | | |
| | **Nature of debts written off** | | | |
| | Damages and Losses | | 179 | 290 |
| | **Total** | | 179 | 290 |
| | **Total debt written off** | | **179** | **290** |

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **8** | **Transfers and Subsidies** | | | |
| | Provinces and municipalities | | 670 584 153 | 619 026 228 |
| | Departmental agencies and accounts | ANNEXURE 1B | 21 348 903 | 17 997 635 |
| | Foreign governments and international organisations | ANNEXURE 1E | 1 279 522 | 1 441 832 |
| | Public corporations and private enterprises | ANNEXURE 1D | 453 625 | 100 000 000 |
| | Households | ANNEXURE 1G | 8 026 841 | 7 310 414 |
| | **Total** | | **701 693 043** | **745 776 109** |

The decrease in Transfers and Subsidies is mainly due to R100 billion paid to South African Reserve Bank (SARB) as Gold and Foreign Exchange Contingency Reserve Account (GFECRA) which in the current year NT did not transfer amounts related to GFECRA and only transferred R118 million for Guarantee Losses to the SARB.

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **9** | **Expenditure for capital assets** | | | |
| | **Tangible capital assets** | | **48 386** | **122 921** |
| | Buildings and other fixed structures | | 28 312 | - |
| | Machinery and equipment | | 20 074 | 122 921 |
| | **Intangible capital assets** | | **-** | **447** |
| | Software | | - | 447 |
| | **Total** | | **48 386** | **123 368** |

The decrease is mainly due to lower than anticipated expenditure on ICT infrastructure including Checkpoint devices and funds that have been reserved for Riverwalk Park Building. The expenditure is mainly attributable to the procurement of capital assets for the computer laptops as majority of employees were eligible for upgrade and motor vehicle procurement within Ministerial Office Support.

**9.1 Analysis of funds utilised to acquire capital assets – 2025/26**

| | Voted Funds | Aid assistance | TOTAL |
|---|---|---|---|
| | R'000 | R'000 | R'000 |
| **Tangible capital assets** | **48 386** | **-** | **48 386** |
| Buildings and other fixed structures | 28 312 | - | 28 312 |
| Machinery and equipment | 20 074 | - | 20 074 |
| **Total** | **48 386** | **-** | **48 386** |

**9.2 Analysis of funds utilised to acquire capital assets – 2024/25**

- -

| | Voted Funds | Aid assistance | TOTAL |
|---|---|---|---|
| | R'000 | R'000 | R'000 |
| **Tangible capital assets** | **122 921** | **-** | **122 921** |
| Machinery and equipment | 122 921 | - | 122 921 |
| **Intangible capital assets** | **447** | **-** | **447** |
| software | 447 | - | 447 |
| **Total** | **123 368** | **-** | **123 368** |

| | 2025/26 | 2024/25 |
|---|---|---|
| **9.3 Finance lease expenditure included in Expenditure for capital assets** | R'000 | R'000 |
| **Tangible capital assets** | | |
| Machinery and equipment | 340 | 511 |
| **Total** | **340** | **511** |

| | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **10 Cash and Cash Equivalents** | | | |
| Consolidated Paymaster General Account | | 50 588 | 222 512 |
| Cash on hand | | 23 | 23 |
| Investments (Domestic) | | 81 946 | 4 313 |
| **Total** | | **132 557** | **226 848** |

The decrease in Consolidated Paymaster General Account is due to cash outflows exceeding cash inflows during the financial year and the increase in investments (Domestic) from R4.3 million to R81.946 million Is due to more cash invested with commercial banks.

| | | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **11 Prepayments and Advances** | | | |
| Travel and subsistence | | 80 | 393 |
| Prepayments (Not expensed) | 11.2 | 19 418 | 39 281 |
| Advances paid (Not expensed) | 11.1 | 97 798 | 110 717 |
| **Total** | | **117 296** | **150 391** |
| **Analysis of Total Prepayments and advances** | | | |
| Current Prepayments and advances | | 98 253 | 131 756 |
| Non-current Prepayments and advances | | 19 043 | 18 635 |
| **Total** | | **117 296** | **150 391** |

**11.1 Advances paid (Not expensed)**

| | *Note* | Balance as at 1 April 2025 | Less: Amount expensed in current year | Add/Less: Other | Add: Current Year advances | Balance as at 31 March 2026 |
|---|---|---|---|---|---|---|
| | *11* | R'000 | R'000 | R'000 | R'000 | R'000 |
| National departments | | 67 857 | -153 706 | - | 146 229 | 60 380 |
| Provincial departments | | 20 756 | -42 883 | - | 34 815 | 12 688 |
| Public entities | | 22 104 | -1 786 097 | - | 1 788 723 | 24 730 |
| Other institutions | | - | | | | - |
| **Total** | | **110 717** | **-1 982 686** | **-** | **1 969 767** | **97 798** |

As at 31 March 2026, the department reported a closing balance of R98 million relating to advances made to various entities, split as follows:

Advances balance:

IDMS – R12 million
GPAA – R24.7 million
GTAC – MFIP – R60 million
CSP – R0.420 million

**11.2 Advances paid (Not expensed)**

| | *Note* | Balance as at 1 April 2024 | Less: Amount expensed in current year | Add/Less: Other | Add: Current Year advances | Balance as at 31 March 2025 |
|---|---|---|---|---|---|---|
| | *11* | R'000 | R'000 | R'000 | R'000 | R'000 |
| National departments | | 0 | -83 855 | - | 151 712 | 67 857 |
| Provincial departments | | - | -64 394 | - | 85 150 | 20 756 |
| Public entities | | 102 598 | -102 598 | - | 22 104 | 22 104 |
| Other institutions | | - | - | - | - | - |
| **Total** | | **102 598** | **-250 847** | **-** | **258 966** | **110 717** |

A closing balance moved from R499 million to R110 million due to the reclassification of R389 million from advances to receivables following the identification of a prior period error (Note 36) relating to the debit processed by NRF against the closing balance, resulting in a receivable from entities to NT.

### 11.3 Prepayments (Not expensed)

| | *Note* | Balance as at 1 April 2025 | Less: Amount expensed in current year | Add/Less: Other | Add: Current Year prepayments | Balance as at 31 March 2026 |
|---|---|---|---|---|---|---|
| | *11* | R'000 | R'000 | R'000 | R'000 | R'000 |
| Listed by economic classification | | | | | | |
| Goods and services | | 35 764 | (20 238) | | - | 15 526 |
| Other | | 3 517 | | | 375 | 3 892 |
| **Total** | | **39 281** | **(20 238)** | **-** | **375** | **19 418** |

Included in the total amount of R19 million are prepayments of R15.5 million related to ICT works.

| | *Note* | Balance as at 1 April 2024 | Less: Amount expensed in current year | Add/Less: Other | Add: Current Year prepayments | Balance as at 31 March 2025 |
|---|---|---|---|---|---|---|
| **Prepayments (Not expensed)** | *11* | R'000 | R'000 | R'000 | R'000 | R'000 |
| Listed by economic classification | | | | | | |
| Goods and services | | 15 526 | - | - | 20 238 | 35 764 |
| Other | | 3 109 | - | - | 408 | 3 517 |
| **Total** | | **18 635** | **-** | **-** | **20 646** | **39 281** |

**11.4 Advances paid (Expensed) ("advances expensed" not permitted from 1 April 2024)**

| | Balance as at 1 April 2025 | Less: Received in the current year | Less: Other | Amount as at 31March 2026 |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 |
| National departments | - | | | - |
| Provincial departments | - | | | - |
| Public entities | 6 883 | | | 6 883 |
| Other institutions | 597 523 | - | (13,376) | 584 147 |
| **Total** | **604 406** | **-** | **(13 376)** | **591 030** |

| | Balance as at 1 April 2024 | Less: Received in the current year | Add/Less: Other | Amount as at 31 March 2025 |
|---|---|---|---|---|
| **Advances paid (Expensed)** | **R'000** | **R'000** | **R'000** | **R'000** |
| National departments | 560 484 | | (560 484) | - |
| Provincial departments | 17 246 | | (17 246) | - |
| Public entities | 8 819 | | (1 937) | 6 883 |
| Other institutions | 635 340 | 37 763 | (75 580) | 597 523 |
| **Total** | **1 221 889** | **37 763** | **(655 246)** | **604 406** |

| | Note | 2025/26 Current R'000 | 2025/26 Non-current R'000 | 2025/26 Total R'000 | 2024/25 Current R'000 | 2024/25 Non-current R'000 | 2024/25 Total R'000 |
|---|---|---|---|---|---|---|---|
| **12 Receivables** | | | | | | | |
| Claims recoverable | 12.1 | 5 380 | 2 173 | 7 553 | 5 425 | 2 167 | 7 592 |
| Recoverable expenditure | 12.2 | 5 325 | 405 035 | 410 360 | 393 235 | 15 945 | 409 180 |
| Staff debt | 12.3 | 204 | 343 | 547 | 162 | 746 | 908 |
| Other receivables | 12.4 | 3 401 | 405 | 3 806 | 3 001 | 297 | 3 298 |
| **Total** | | **14 310** | **407 956** | **422 266** | **401 823** | **19 155** | **420 978** |

| | *Note* | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **12.1 Claims recoverable** | 12 | | |
| National departments | | 6 218 | 6 257 |
| Provincial departments | | - | - |
| Foreign governments | | 1 335 | 1 335 |
| **Total** | | **7 553** | **7 592** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **12.2** | **Recoverable expenditure** | 12 | | |
| | (Group major categories, but list material items) | | | |
| | Damages and Losses | | 2 137 | 1 828 |
| | Disallowance Miscellaneous | | 392,904 | 390,992 |
| | Outstanding debts - Civil and military pensions | | 38 | 36 |
| | Disallowance - Civil and military pensions | | 5 172 | 5 239 |
| | Disallowance - Special pensions | | 10 108 | 11 085 |
| | **Total** | | **410 360** | **409 180** |

Recoverable expenditure increased due to the reclassification of R389 million from advances to receivables following the identification of a prior period error (Note 36) relating to the debit processed by NRF against the closing balance, resulting in a receivable from entities to NT.

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **12.3** | **Staff debt** | 12 | | |
| | (Group major categories, but list material items) | | | |
| | Departmental Debts | | 547 | 908 |
| | Other Staff Debts | | - | - |
| | **Total** | | **547** | **908** |

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **12.4** | **Other receivables** | 12 | | |
| | Value Added Tax (SARS) | | 405 | 405 |
| | Other Debtors | | 3 389 | 2 893 |
| | SAL: Tax Debt | | 2 | - |
| | SAL: Pension Fund | | 10 | - |
| | **Total** | | **3 806** | **3 298** |

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **12.5** | **Impairment of receivables** | 12 | | |
| | Estimate of impairment of receivables | | 11 090 | 10 904 |
| | **Total** | | **11 090** | **10 904** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney (Legal) for recovery. These are debts raised because of overpayments due to, for example, recalculation of benefits and non or late notification of death of the pensioners.

These are debts not likely to be recovered and are therefore recommended for write off based on a determined criteria and are subject to further assessments and approvals before the final write-off:

The following criteria was used for the impairment test of receivables:

- Debts identified for write off; plus
- No movement for more than 2 years (non-payment by debtors); and
- Debtors 70 years and older.

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | *Note* | R'000 | R'000 |
| 13 | **Investments** | | | |
| | **Non-Current** | | | |
| | **Shares and other equity** | | | |
| | (List investments at cost) | | | |
| | Development Bank of Southern Africa | | 200 000 | 200 000 |
| | Public Investment Corporation Limited | | 1 | 1 |
| | Sasria | | 22 000 000 | 22 000 000 |
| | Land Bank | | 14 397 655 | 14 397 655 |
| | **Total** | | **36 597 656** | **36 597 656** |

| | | 2025/26 | 2024/25 |
|---|---|---|---|
| | *Note* | R'000 | R'000 |
| | **Analysis of non-current investments** | | |
| | Opening balance | 36 597 656 | 36 597 656 |
| | Additions in cash | - | - |
| | **Closing balance** | **36 597 656** | **36 597 656** |

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | *Note* | R'000 | R'000 |
| 13.1 | **Impairment of investments** | | | |
| | Estimate of impairment of investments | | 14 397 655 | 14 397 655 |
| | **Total** | | **14 397 655** | **14 397 656** |

To determine whether the impairment of the financial assets had occurred, NT utilised projected cash flows obtained in the SOE's corporate plan. No extensive adjustment to the project cash flows is passed due to limitations in the information provided in compiling such projections. The Free Cash flow to equity (FCFE) is utilised to estimate the fair value of the interest held in the SOEs. subject to limitation and practical expedient, the principles and significant assumptions applied in the model include:

Discount rate

To discount the cash flow the yield of the government 10-year bond is utilised as it is the assumed risk-free rate over the medium term and would approximate the weighted average cost to the holder of capital (government).

Growth rate

The average forecasted nominal GDP growth rate as forecasted in the budget, is utilised to discount terminal value as this indicates how the economy is expected to perform and so are the SOEs.

Other

Other Significant assumptions are made for each individual entity based on its operations of the individual entities.

Interpretation

Where the calculated NPV is negative, the conclusion is that the SOC holds zero value, considering the assumptions input to the model.

The current year NPV is compared with prior year NPV to measure the quantum of the impairment, if any. This is done by taking the current year NPV and deducting Prior year NPV. A negative value then represents an impairment, and a positive value represents a reversal/partial reversal in impairment.

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | *Note* | R'000 | R'000 |
| 14 | **Loans** | | | |
| | Public corporations | | 80 075 507 | 56 131 574 |
| | **Total** | | **80 075 507** | **56 131 574** |

| | | 2025/26 | 2024/25 |
|---|---|---|---|
| | *Note* | R'000 | R'000 |
| | **Analysis of Balance** | | |
| | Opening balance | 56 131 574 | 32 000 000 |
| | New Issues | 80 000 000 | 64 000 000 |
| | Accrued Interest Capitalised | 75 507 | 131 574 |
| | Repayments | (131 574) | - |
| | Write-offs | (56 000 000) | (40 000 000) |
| | **Closing balance** | **80 075 507** | **56 131 574** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

The increase in 2025/26 is due to an Eskom debt relief loan of R80.2 billion as compared to R64 billion loan in 2024/25.

The Repayment reflects the interest earned and the write-offs relate to the R56 billion from the 2024/25 FY, for which a letter has been received from the Minister of Finance to convert into equity.

The prior year error accrued interest amount of R131.6 million was reinstated on the 2024/25 opening balance (Note 36).

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **15** | **Voted Funds to be surrendered to the Revenue Fund** | | | |
| | Opening balance | | 715 753 | 275 227 |
| | Prior period error | | - | - |
| | As restated | | 715 753 | 275 227 |
| | Transfer from statement of financial performance (as restated) | | 1 261 502 | 715 753 |
| | Voted funds not requested/not received | | (1 000 000) | - |
| | Advances expensed during the year | | - | - |
| | Paid during the year | | (715 754) | (275 227) |
| | **Closing balance** | | **261 502** | **715 753** |

Voted funds to be surrendered decreased from R715.8 million in 2024/25 to R261.5 million in 2025/26 due to lower underspending in 2025/26 as compared to 2024/25 financial year.

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **16** | **Statutory Appropriation to be surrendered to the Revenue Fund** | | | |
| | Opening balance | | - | 2 137 |
| | As restated | | | |
| | Transfer from Statement of Financial Performance (as restated) | | 80 275 570 | 64 000 000 |
| | Statutory Appropriation not requested / not received | | (80 000 000) | (64 002 137) |
| | Paid during the year | | **275 570** | **-** |
| | **Closing balance** | | | |

The Statutory Appropriation amounts to be surrendered to the Revenue Fund include R233 million for Eskom Debt Relief and R42.5 million for Civil and Military pensions contribution and other benefits, relating to unspent funds.

| | | Note | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | ***Note*** | **R'000** | **R'000** |
| **17** | **Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund** | | | |
| | Opening balance | | 8 724 | 148 860 |
| | As restated | | 8 724 | 148 860 |
| | Transfer from Statement of Financial Performance (as restated) | | 41 013 387 | 110 498 602 |
| | Own revenue included in appropriation | | - | 100 000 000 |
| | Paid during the year | | (40 934 375) | (210 638 738) |
| | **Closing balance** | | **87 733** | **8 724** |

In the current financial year, the National Treasury received R25 billion from the South African Reserve Bank (SARB) Gold and Foreign Exchange Contingency Reserve Account (GFECRA).

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | ***Note*** | **R'000** | **R'000** |
| **18** | **Payables – current** | | | |
| | Advances received | 18.1 | 10 269 | 14 074 |
| | Clearing accounts | 18.2 | 1 595 | 453 |
| | Other payables | 18.3 | 32 697 | 30 698 |
| | **Total** | | **44 561** | **45 225** |

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | ***Note*** | **R'000** | **R'000** |
| **18.1** | **Advances received** | 18 | | |
| | National departments | Annex 8B | - | - |
| | Public entities (FASSET, TETA, PSETA) | Annex 8B | 10 269 | 14 074 |
| | Other institutions | Annex 8B | - | - |
| | **Total** | | **10 269** | **14 074** |

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | ***Note*** | **R'000** | **R'000** |
| **18.2** | **Clearing accounts** | 18 | | |
| | (Identify major categories, but list material amounts) | | | |
| | Income Tax (PAYE) | | 82 | 156 |
| | Bargaining Council | | - | 1 |
| | VAT Input | | 105 | - |
| | Reversal Account | | 1 408 | 296 |
| | Pension Fund | | | |
| | **Total** | | **1 595** | **453** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | *Note* | R'000 | R'000 |
| 18.3 | **Other payables** | | | |
| | (Identify major categories, but list material amounts) | | | |
| | Civil and Military Pensions | | 16 801 | 17 495 |
| | Special Pensions | | 15 896 | 13 203 |
| | **Total** | | **32 697** | **30 698** |

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | *Note* | R'000 | R'000 |
| 19 | **Net cash flow available from operating activities** | | | |
| | Net surplus/(deficit) as per Statement of Financial Performance | | 122 552 779 | 175 242 137 |
| | Add back non-cash/cash movements not deemed operating activities | | (122 209 699) | (175 419 594) |
| | (Increase)/decrease in receivables | | 387 513 | (2 127) |
| | (Increase)/decrease in prepayments and advances | | 33 095 | (418 052) |
| | Increase/(decrease) in payables – current | | (664) | 3 880 |
| | Proceeds from sale of capital assets | | (49) | - |
| | Proceeds from sale of investments | | | (193 296) |
| | Expenditure on capital assets | | 48 386 | 123 368 |
| | Surrenders to Revenue Fund | | (121 650 133) | (274 916 102) |
| | Transferred to Capitalisation reserve | | (27 847) | (17 265) |
| | Surrenders to RDP Fund/Donor | | | |
| | Voted funds not requested/not received | | (1 000 000) | - |
| | Statutory Appropriation not requested/not received | | - | - |
| | Own revenue included in appropriation | | - | 100 000 000 |
| | **Net cash flow generated by operating activities** | | **343 080** | **(177 457)** |

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | *Note* | R'000 | R'000 |
| 20 | **Reconciliation of cash and cash equivalents for cash flow purposes** | | | |
| | Consolidated Paymaster General account | | 50 588 | 222 512 |
| | Cash on hand | | 23 | 23 |
| | Cash with commercial banks (Local) | | 81 946 | 4 313 |
| | **Total** | | **132 557** | **226 848** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **21** | **Contingent liabilities and contingent assets** | | | |
| **21.1** | **Contingent liabilities** | | | |
| | **Liable to Nature** | | | |
| | Other guarantees | Annex 3A | 9 197,654 | 11 638 704 |
| | Claims against the department | Annex 3B | 587 974 | 514 998 |
| | Other | Annex 3B | 530 057 | 511 612 |
| | **Total** | | **10 315 685** | **12 665 314** |

Other guarantees relate to guarantees issued to Public Entities that report to the Minister of Finance, such as the Development Bank of Southern Africa (DBSA), and guarantees to the South African Reserve Bank. Any payment under a guarantee will be a direct charge against the National Revenue fund via the Department. Repayments made during the fiscal year 2025/26 resulted in a reduction of the outstanding guaranteed capital amount.

The prior period error has been raised in Note 36 due to an error of not including accrued interest in the closing balance of the guarantees. Therefore, the R505.9 million accrued guaranteed interest was added 2024/25 closing balance, which also affected the overall total by the same amount.

| | | | | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|---|
| **22** | **Accruals and payables not recognised** | | | | |
| **22.1** | **Accruals** | | | | |
| | **Listed by economic classification** | **30 days** | **30+ days** | **Total** | **Total** |
| | Goods and services | 68 061 | 10 726 | 78 786 | 90 778 |
| | Transfers and subsidies | 95 | - | 95 | 129 |
| | Capital assets | | | | |
| | Other | 13 309 | - | 13 309 | 11 412 |
| | **Total** | **81 465** | **10 726** | **92 190** | **102 319** |

The decrease in accruals is primarily attributable to goods and services, with total accrual payments amounting to R92 million as at 31 March 2026.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | | R'000 | R'000 |
| **22.2 Payables not recognised** | | | | |
| **Listed by economic classification** | **30 days** | **30+ days** | **Total** | **Total** |
| Goods and services | 87 | - | 87 | - |
| Transfers and subsidies | | | | |
| Capital assets | | | | |
| Other | | - | - | |
| **Total** | **87** | **-** | **87** | **-** |

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **23** | **Employee benefits** | | | |
| | Leave entitlement | | 54 155 | 51 097 |
| | Service bonus | | 20 111 | 19 195 |
| | Capped leave | | 4 949 | 5 468 |
| | Other | | - | - |
| | **Total** | | **79 215** | **75 760** |

## 24 Lease commitments

### 24.1 Operating leases

| 2025/26 | Specialised military assets | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | 67 983 | 4 875 | 72 858 |
| Later than 1 year and not later than 5 years | - | - | 215 904 | 3 767 | 219 671 |
| later than 5 years | - | - | - | - | - |
| **Total lease commitments** | **-** | **-** | **283 887** | **8 641** | **292 528** |

| 2024/25 | Specialised military assets | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | 34 610 | 4 888 | 39 498 |
| Later than 1 year and not later than 5 years | - | - | - | 6 222 | 6 222 |
| Later than five years | - | - | - | - | - |
| **Total lease commitments** | **-** | **-** | **34 610** | **11 110** | **45 720** |

### 24.2 Finance leases **

| 2025/26 | Specialised military assets | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | - | 393 | 393 |
| Later than 1 year and not later than 5 years | - | - | - | 14 | 14 |
| **Total lease commitments** | **-** | **-** | **-** | **407** | **407** |

| 2024/25 | Specialised military assets | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | - | 1 463 | 1 463 |
| Later than 1 year and not later than 5 years | - | - | - | 368 | 368 |
| **Total lease commitments** | **-** | **-** | **-** | **1 831** | **1 831** |

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **25** | **Accrued departmental revenue** | | | |
| | Sales of goods and services other than capital assets | | - | 225 |
| | Interest, dividends and rent on land | | 950 558 | 770 600 |
| | Sale of capital assets | | | |
| | Transactions in financial assets and liabilities | | 56 011 682 | 50 027 947 |
| | **Total** | | **56 962 240** | **50 798 772** |

The R56 billion relates to the GFECRA revenue expected to be received in the current financial year (2026/27) FY.

Dividend declared by the Development Bank of Southern Africa

During the 2024/25 financial year, DBSA declared a dividend of R159.568 million in favour of the shareholder, represented by the Minister of Finance. Before the reporting date of 31 March 2026, DBSA requested the Minister's approval to retain the dividend to partially offset losses arising from debt restructurings undertaken under the G20 Common Framework initiative.

On 18 May 2026, subsequent to the reporting date, the Minister approved DBSA's request to retain the dividend. As a result, the dividend was not paid to National Treasury.

Management considered the accounting implications in accordance with the Modified Cash Standard and concluded that no accrued departmental revenue should be disclosed in respect of the dividend.

| | | Note | R'000 | R'000 |
|---|---|---|---|---|
| **25.1** | **Analysis of accrued departmental revenue** | | | |
| | Opening balance | | 50 798 772 | 351 448 |
| | Less: Amounts received | | (25 798 772) | (351 448) |
| | Add: Amounts recorded | | 31 962 240 | 50 798 772 |
| | **Closing balance** | | **56 962 240** | **50 798 772** |

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **26** | **Unauthorised, Irregular and Fruitless and wasteful expenditure** | | | |
| | Unauthorised expenditure | | - | - |
| | Irregular expenditure | | 22 245 | 36 |
| | **Total** | | **22 245** | **36** |

The irregular expenditure disclosed in the current financial year relates to the Qlink contract, which was not renewed upon expiry; however, the service provider continued to render services from March 2022 to July 2025 without a valid contractual arrangement in place, resulting in non-compliance with supply chain management prescripts. Following engagement with National Treasury, approval was granted for the Department to settle 70% of the total invoiced amount, equating to R16.026 million. In addition, irregular expenditure of R4.355 million arose due to a missed approval deadline for deviation from normal procurement processes in respect of the IMF G20 meeting held in Washington DC, which resulted in procedural non-compliance despite the technical assistance necessity of the expenditure.R98 thousand relating to salary reimbursements made in the absence of a valid contractual arrangement; and R660 thousand relating to the absence of an SBD4 form for the renewal of a SWIFT subscription as well as the procurement of headphones from a non-accredited service provider, Introserve, under the RFB740, to the amount of R118 thousand; and R988 thousand relates to the procurement of information technology goods and services without complying with the SITA Act and applicable regulations.

| | | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|
| **27** | **Related party transactions** | | |
| | **Related party falling under the minister of finance** | | |
| | The Financial and Fiscal Commission (FFC) | | |
| | Financial Intelligence Centre (FIC) | | |
| | Development Bank of Southern Africa Limited (DBSA) | | |
| | Accounting Standards Board (ASB) | | |
| | Public Investment Corporation (PIC) | | |
| | South African Revenue Service (SARS) | | |
| | SASRIA Limited (SASRIA) | | |
| | The Land and Agricultural Development Bank of South Africa (Land Bank) | | |
| | Independent Regulatory Board for Auditors (IRBA) | | |
| | Financial Advisory Intermediary Services (FAIS) Ombudsman | | |
| | Office of the Pension Fund Adjudicator (OPFA) | | |
| | Government Pensions Administration Agency (GPAA) | | |
| | Government Technical Advisory Centre (GTAC) | | |
| | Office of the Tax Ombud (OTO) | | |
| | Financial Sector Conduct Authority (FSCA) | | |
| | Ombud Council (OC) | | |
| | **In-kind goods and services (provided)/ received** | | |

| | | |
|---|---|---|
| CBDA – Office space and professional services (provided) | - | (4 330) |
| GTAC – Office space and professional services (provided) | (34 786) | (38 729) |
| GTAC- Secondment received | 574 | - |
| **Total** | **(34 212)** | **(43 059)** |

The services in kind provided to GTAC during the reporting period relate primarily to Facilities, ICT services, internal audit, and enterprise risk management services. Service in kind received from GTAC is related to secondment of employee to NT to assist with G20 related work.

| | | 2025/26 | 2024/25 |
|---|---|---|---|
| | | **R'000** | **R'000** |
| **28** | **Key management personnel** | | |
| | Political office bearers (provide detail below) | | |
| | Officials: | 7 391 | 6 523 |
| | Level 15 to 16 | 31 146 | 35 965 |
| | Level 14 (incl CFO if at a lower level) | 97 474 | 93 323 |
| | **Total** | **136 011** | **135 811** |

| | | *Note* | 2025/26 | 2024/25 |
|---|---|---|---|---|
| | | | **R'000** | **R'000** |
| **29** | **Impairment (Other than receivables, accrued departmental revenue, loans and investments)** | | | |
| | Debtors Possible Write-offs | | 46 | 170 |
| | Other Material Losses - GPAA | | 43 635 | 42 688 |
| | **Total** | | **43 681** | **42 858** |

Other material losses relating to the GPAA emanate from SIU findings, whereby certain benefit payments were made to beneficiaries who were incorrectly granted pensions due to errors by the Special Pensions Board in the interpretation and application of the Special Pensions Act, 69 of 1996

| | | Note | 2025/26 R'000 | 2024/25 R'000 |
|---|---|---|---|---|
| **30** | **Provisions** | | | |
| | *SA Smith – claim* | | 14 | 14 |
| | *Injury on Duty* | | 261 170 | 236 913 |
| | *Military Pension* | | 10 658 | 7 849 |
| | *Military Medical* | | 4 300 | 5 096 |
| | *Special Pension* | | 54 294 | 53 284 |
| | *Medical Benefits* | | 19 209 | 9 428 |
| | **Total** | | **349 644** | **312 585** |

Military Medical-Outstanding Medical Claims for pensioners eligible in terms of the Military Pensions requirements.

Injury on Duty-Outstanding awards issued by the Compensation Fund in terms of Compensation for Occupational Injuries and Diseases Act (COIDA) awaiting claim submissions by the employers.

Military Pensions-Provision raised in terms of Military Pensions requirements for all approved cases while awaiting outstanding documents from the member/beneficiaries.

Medical Benefits-Outstanding documents on post-retirement medical benefits not yet processed.

Special Pensions-Outstanding applications for pensioners and dependants in terms of the Special Pensions requirements i.e. Life certificates, secondary benefits, death benefits.

Uncertainties dependent on the submission of certain documentation by the applicants.

**30.1 Reconciliation of movement in provisions – 2025/26**

| | Military medical & special pensions | Injury on Duty | Military Pension | Post-Retirement Medical Benefits & Claim | Total provisions |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | 58 380 | 236 913 | 7 849 | 9 443 | 312 586 |
| Increase in provision | 52 609 | 175 641 | 3 951 | 84 097 | 316 298 |
| Settlement of provision | (28 868) | (135 848) | (892) | (74 318) | (239 921) |
| Unused amount reversed | (23 527) | (15 542) | (250) | - | (39 319) |
| **Closing balance** | **58 594** | **261 170** | **10 658** | **19 222** | **349 644** |

**Reconciliation of movement in provisions – 2024/25**

| | Military medical & special pensions | Injury on Duty | Military Pension | Post-Retirement Medical Benefits & Claim | Total provisions |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | 44 209 | 231 195 | 8 374 | 13 145 | 296 923 |
| Increase in provision | 62 556 | 148 268 | 1 705 | 87 681 | 300 209 |
| Settlement of provision | (24 551) | (125 081) | (544) | (50 861) | (201 037) |
| Unused amount reversed | (23 833) | (17 469) | (1 685) | (40 523) | (83 510) |
| **Closing balance** | **58 380** | **236 913** | **7 849** | **9 442** | **312 585** |

**31. Non-adjusting events after reporting date**

| Nature of the event | *Note* | 2025/26 R'000 |
|---|---|---|
| Subsequent to the reporting date, in June 2026, the Minister approved the request for a departure from the Instruction Note 09 of 2020/2021 for a guarantee of R10 billion for 25 years, in favour of the Land Bank. The purpose of the guarantee is to ensure that the Bank is able to refinance its current debt, manage liquidity mismatch and avoid another event of default. The approval by the Minister occurred after 31 March 2026 and does not provide evidence of conditions existing at the reporting date. Accordingly, the approval is considered a non-adjusting event after the reporting period. | | 10 000 000 |
| **Total** | | **10 000 000** |

## 32. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026**

| | Opening balance | Value adjustments | Additions | Disposals | Closing balance |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **MACHINERY AND EQUIPMENT** | **437 141** | **-** | **19 733** | **32 593** | **424 281** |
| Transport assets | 6 100 | - | 3 872 | 181 | 9 791 |
| Computer equipment | 320 938 | - | 15 077 | 31 256 | 304 759 |
| Furniture and office equipment | 18 138 | - | - | 770 | 17 368 |
| Other machinery and equipment | 91 965 | - | 784 | 386 | 92 363 |
| Finance Lease Assets | 1 870 | - | 138 | 389 | 1 619 |
| **TOTAL MOVABLE TANGIBLE CAPITAL ASSETS** | **439 011** | **-** | **19 871** | **32 982** | **425 900** |

**Movable Tangible Capital Assets under investigation**

| | Number | Value |
|---|---|---|
| **Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:** | | **R'000** |
| Heritage assets | | |
| Machinery and equipment | 123 | 3 083 |
| Specialised military assets | | |
| Biological assets | | |

### 32.1 Movement for 2024/25

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

| | Opening balance | Prior period error | Additions | Disposals | Closing balance |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **MACHINERY AND EQUIPMENT** | **337 209** | **-** | **122 410** | **22 478** | **437 141** |
| Transport assets | 6 100 | - | - | - | 6 100 |
| Computer equipment | 220 949 | - | 120 166 | 20 177 | 320 938 |
| Furniture and office equipment | 18 146 | - | 627 | 635 | 18 138 |
| Other machinery and equipment | 92 014 | - | 1 617 | 1 666 | 91 965 |
| **Finance Lease Assets** | 50 | 1 876 | 443 | 499 | 1 870 |
| **TOTAL MOVABLE TANGIBLE CAPITAL ASSETS** | **337 259** | **1 876** | **122 853** | **22 977** | **439 011** |

| 32.1.1 Prior period error | *Note* | 2024/25 R'000 |
|---|---|---|
| Relating to 2024/25 | | |
| Restatement of finance lease due to capitalisation at beginning of the lease term | | **1 876** |
| | | 1 876 |
| **Total** | | **1 876** |

## 33 Minor assets

**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026**

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | - | 31 714 | - | 31 714 |
| Additions | - | - | - | 751 | - | 751 |
| Disposals | - | - | - | (1 186) | - | (1 186) |
| **TOTAL MINOR CAPITAL ASSETS** | **-** | **-** | **-** | **31 279** | **-** | **31 279** |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|---|---|---|---|---|---|
| Number of R1 minor assets | - | - | - | 30 | - | 30 |
| Number of minor assets at cost | | - | - | 18 808 | - | 18 808 |
| **TOTAL NUMBER OF MINOR ASSETS** | **-** | **-** | **-** | **18 838** | **-** | **18 838** |

| Minor Assets under investigation | Number | Value R'000 |
|---|---|---|
| **Included in the above total of the minor assets per the asset register are assets that are under investigation:** | | |
| Heritage assets | | |
| Machinery and equipment | 1 | 3 |
| Specialised military assets | | |
| Biological assets | | |

**33.1 Minor assets**

**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | - | 32 339 | - | 32 339 |
| Prior period error | - | - | - | - | - | - |
| Additions | - | - | - | 440 | - | 440 |
| Disposals | - | - | - | (1 065) | - | (1 065) |
| **TOTAL MINOR CAPITAL ASSETS** | **-** | **-** | **-** | **31 714** | **-** | **31 714** |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|---|---|---|---|---|---|
| Number of R1 minor assets | - | - | - | 31 | - | 31 |
| Number of minor assets at cost | | - | - | 19 143 | - | 19 143 |
| **TOTAL NUMBER OF MINOR ASSETS** | **-** | **-** | **-** | **19 174** | **-** | **19 174** |

**33.2 Movable tangible capital assets written off**

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2026**

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Assets written off | - | - | - | - | - | - |
| **TOTAL MOVABLE ASSETS WRITTEN OFF** | **-** | **-** | **-** | **-** | **-** | **-** |

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025**

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Assets written off | - | - | - | 547 | - | 547 |
| **TOTAL MOVABLE ASSETS WRITTEN OFF** | **-** | **-** | **-** | **547** | **-** | **547** |

**34 Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026**

| | Opening balance | Additions | Disposals | Closing balance |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 138 510 | - | - | 138 510 |
| **TOTAL INTANGIBLE CAPITAL ASSETS** | **138 510** | **-** | **-** | **138 510** |

**Movement for 2024/25**

**34.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

| | Opening balance | Prior period error | Additions | Disposals | Closing balance |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 138 063 | - | 447 | - | 138 510 |
| **TOTAL INTANGIBLE CAPITAL ASSETS** | **138 063** | **-** | **447** | **-** | **138 510** |

**Intangible capital assets: Capital Work-in-progress**

**34.2 CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026**

| | *Note* | Opening Balance 1 April 2025 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing Balance 31 March 2026 |
|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 |
| Intangible assets | | 394 241 | - | - | 394 241 |
| **TOTAL** | | **394 241** | **-** | **-** | **394 241** |

| | *Note* | Opening Balance 1 April 2024 | Prior period error | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing Balance 31 March 2025 |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Intangible assets | | 394 241 | - | - | - | 394 241 |
| **TOTAL** | | **394 241** | **-** | **-** | **-** | **394 241** |

## 35 Immovable Tangible Capital Assets

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026**

| | Opening balance | Additions | Disposals | Closing balance |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 |
| **BUILDINGS AND OTHER FIXED STRUCTURES** | 1 024 | - | - | 1 024 |
| Other fixed structures | 1 024 | - | - | 1 024 |
| **TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS** | **1 024** | **-** | **-** | **1 024** |

**Movement for 2024/25**

### 35.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

| | Opening balance | Prior period error | Additions | Disposals | Closing balance |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **BUILDINGS AND OTHER FIXED STRUCTURES** | 1 024 | - | - | - | 1 024 |
| Other fixed structures | 1 024 | - | - | - | 1 024 |
| **TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS** | **1 024** | **-** | **-** | **-** | **1 024** |

**Immovable tangible capital assets: Capital Work-in-progress**

### 35.2 CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

| | *Note* | Opening Balance 1 April 2025 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing Balance 31 March 2026 |
|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 |
| Buildings and other fixed structures | | - | 28 312 | - | 28 312 |
| **TOTAL** | | **-** | **28 312** | **-** | **28 312** |

Current year work-in-progress (WIP) relates to tenant installations and leasehold improvements currently underway at the Riverwalk Office.

## 36 Principal-agent arrangements

### 36.1 Department acting as the principal

| | 2025/26 | 2024/25 |
|---|---|---|
| | **R'000** | **R'000** |
| GPAA | 70 884 | 64 168 |
| GTAC – NDP | 459 | 438 |
| DBSA – CSP | 3 147 | 2 933 |
| GTAC – Jobs Fund | 1 870 | 1 406 |
| DBSA – IDMS | 1 303 | 2 326 |
| DBSA – NTPPF | 1 200 | 1 200 |
| **Total** | **78 863** | **72 471** |

**1. GPAA** renders administrative services on behalf of the department with respect to Post-Retirement Medical Subsidies Military Pensions, Injury on Duty, Special Pensions and other pensions specified in the Administration Agreement. The department pays funds to GPAA for the administration services as a claim, which is reported in the principal agent note.

The resources that are under the custodian of GPAA is the payments made to the entity as a transfer to enable it to administer the Government Employee Pension Fund (GEPF) on behalf of the department.

**2. Government Technical Advisory Centre (GTAC)**

GTAC manages the administration of technical assistance on behalf of the department relating to Neighbourhood Development Programme (NDP), Municipal Finance Improvement Programme (MFIP), Employment Creation Facilitation Fund sub-programme (ECFF) as well as Jobs Fund.

The department pays fees to GTAC for the administration services on NDP and Jobs Fund.

If the principal-agent relationship is terminated, GTAC will pay back all the unspent funds to the department.

The resources that are under the custodian of GTAC is the payments made to the entity as advances and grants to enable it to administer the programs on behalf of the department.

**3. Development Bank of Southern Africa (DBSA)**

The department entered into a Memorandum of Understanding (MoU) with DBSA which will support NT with the Cities Support Program (CSP), Project Preparation Fund (PPF), Infrastructure Fund (IF), and the NT Social Housing Project.

DBSA discloses the remaining balances at year end as liabilities in the separate financial statements of the funds.

If the principal-agent relationship is terminated, DBSA will pay back all the unspent funds to the department.

The resources that are under the custodian of DBSA is the payments made to the entity as advances to enable it to administer the funds on behalf of the department

| 37. Prior period errors | Note | 2024/25 Amount before error correction | Prior period error | Restated amount |
|---|---|---|---|---|
| | | R'000 | R'000 | R'000 |
| ***Assets: (e.g. Receivables, Investment, Accrued departmental revenue, Movable tangible capital assets, etc.)*** | | | | |
| National Department: GTAC Jobs Fund Advances | 11 | 297 092 | -297 092 | - |
| National Department: GTAC Jobs Fund | 12 | - | 297 092 | 297 092 |
| Other Institutions: DBSA IF Advances | 11 | 47 314 | -47 314 | - |
| Other Institutions: DBSA IF Advances | 12 | - | 47 314 | 47 314 |
| Other Institutions: DBSA IF Advances | 11.4 | 86 151 | -86 151 | - |
| National Department: GTAC NDPG Advances | 11 | 44 705 | -44 705 | - |
| National Department: GTAC NDPG | 12 | - | 44 705 | 44 705 |
| Loans | 14 | 56 000 000 | 131 574 | 56 131 574 |
| **Assets: Net effect** | | **56 475 262** | **45 423** | **56 520 685** |
| **Correction of prior period error** | | | | |
| ***Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)*** | | | | |
| Contingent Liabilities: Totals | 21 | 12 159,371 | 505 943 | 12 665 314 |
| **Liabilities: Net effect** | | **12 159,371** | **505 943** | **12 665 314** |
| ***Other: (e.g. Unauthorised expenditure, Irregular expenditure, fruitless and wasteful expenditure, etc.)*** | | | | |
| Restatement of Finance Lease opening balance 2024/25 | 31 | 50 | 1 876 | 1 926 |
| Departmental Agencies: GTAC – Jobs Fund | Anx 1B | 297 092 | -297 092 | - |
| Private Enterprise: GTAC – Jobs Fund | Anx 1D | - | 297 092 | 297 092 |
| **Other: Net effect** | | **297 142** | **1 876** | **299 018** |

The prior period errors relate to corrections across multiple balances to ensure alignment with correct accounting treatment:

**1. Assets:**

Loans: Corrected to comply with AGSA requirements by ensuring accrued interest is included in the loan balances.

NRF debit and reclassification: A debit was processed by NRF against the closing advances balance despite related expenditure already being recognised in 2024/25. Based on an assessment of advances and receivables, R389 million was reclassified from advances to receivables as it represents amounts owed by Entities to NT.

**2. Liabilities:**

The prior period error is due to an error of not including accrued interest in the closing balance for guarantees. Therefore, the R505.9 million relates accrued guaranteed interest added to other guarantees, which also affected the totals for contingent liabilities.

**3. Others:**

Finance leases: Restated to reflect the impact of a change in accounting policy on the capitalisation of finance leases and;

Reclassification of Jobs funds from Departmental Agencies to Private Enterprises

# ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | | SPENT | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DoRA and other transfers | Roll Overs | Adjust-ments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Amount received by Municipality | Amount spent by munici-pality | Unspent funds | % of available funds spent by munici-pality | DoRA and other transfers | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT** | | | | | | | | | | | | | |
| !Kai !Garib | 1 000 | - | (1 000) | - | - | - | - | - | - | - | 0% | - | - |
| Alfred Duma | 10 000 | - | 623 | 10,623 | 10 623 | - | - | 10 623 | 10 623 | - | 100% | 2 000 | 2 000 |
| Buffalo City | - | - | - | - | - | - | - | - | - | - | 0% | 37 655 | 37 655 |
| Bushbuckridge | 23 428 | - | (3 401) | 20,027 | 20 027 | - | - | 20 027 | 20 027 | - | 100% | 29 060 | 29 060 |
| City of Ekurhuleni | - | - | - | - | - | - | - | - | - | - | 0% | 165 945 | 165 945 |
| City of Cape Town | - | - | - | - | - | - | - | - | - | - | 0% | 160 237 | 160 237 |
| City of Johannesburg | - | - | - | - | - | - | - | - | - | - | 0% | 114 695 | 114 695 |
| City of Matlosana | 20 395 | - | (9 794) | 10,601 | 10 600 | - | - | 10 600 | 10 600 | - | 100% | 10 492 | 10 492 |
| City of Mbombela | 30 000 | - | (5 000) | 25,000 | 25 000 | - | - | 25 000 | 25 000 | - | 100% | 10 000 | 10 000 |
| City of Tshwane | - | - | - | - | - | - | - | - | - | - | 0% | 116 742 | 116 742 |
| Dawid Kruiper | 28 355 | - | (7 603) | 20,752 | 20 752 | - | - | 20 752 | 20 752 | - | 100% | 20 000 | 20 000 |
| Drakenstein | 39 500 | - | 5 594 | 45,094 | 45 094 | - | - | 45 094 | 45 094 | - | 100% | 20 000 | 20 000 |
| Emalahleni | 6 000 | - | (1 000) | 5,000 | 5 000 | - | - | 5 000 | 5 000 | - | 100% | - | - |
| Emfuleni | 1 000 | - | (1 000) | - | - | - | - | - | - | - | 0% | - | - |
| eThekwini | - | - | - | - | - | - | - | - | - | - | 0% | 144 635 | 144 635 |
| Fetakgomo | 42 600 | - | (986) | 41,614 | 41 614 | - | - | 41 614 | 41 614 | - | 100% | 47 718 | 47 718 |
| Ga-Segonyana | 30 000 | - | 14 100 | 44,100 | 44 100 | - | - | 44 100 | 44 100 | - | 100% | 24 004 | 24 004 |
| George | 7 500 | - | (100) | 7,400 | 7 400 | - | - | 7 400 | 7 400 | - | 100% | 5 000 | 5 000 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | | SPENT | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DoRA and other transfers | Roll Overs | Adjust-ments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Amount received by Municipality | Amount spent by munici-pality | Unspent funds | % of available funds spent by munici-pality | DoRA and other transfers | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| JB Marks | 10 000 | - | 5 000 | 15,000 | 15 000 | - | - | 15 000 | 15 000 | - | 100% | 5 000 | 5 000 |
| King Sabata Dalindyebo | 2 600 | - | (2 600) | - | - | - | - | - | - | - | 0% | - | - |
| Knysna | 15 000 | - | 5 000 | 20 000 | 20 000 | - | - | 20 000 | 20 000 | - | 100% | 20 477 | 20 477 |
| Kwadukuza | 2 100 | - | (2 100) | - | - | - | - | - | - | - | 0% | - | - |
| Langeberg | 4 000 | - | 6 000 | 10 000 | 10 000 | - | - | 10 000 | 10 000 | - | 100% | - | - |
| Lesedi | 14 294 | - | 4 999 | 19 293 | 19 293 | - | - | 19 293 | 19 293 | - | 100% | 13 000 | 13 000 |
| Mafikeng | 10 100 | - | 1 281 | 11 381 | 11 381 | - | - | 11 381 | 11 381 | - | 100% | 1 200 | 1 200 |
| Maluti-A-Phofung | 100 | - | (100) | - | - | - | - | - | - | - | 0% | - | - |
| Mangung | - | - | - | - | - | - | - | - | - | - | 0% | 40 042 | 40 042 |
| Matjhabeng | 100 | - | (100) | - | - | - | - | - | - | - | 0% | - | - |
| Metsimaholo | 100 | - | (100) | - | - | - | - | - | - | - | 0% | - | - |
| Midvaal | 1 000 | - | 1 244 | 2 244 | 2 244 | - | - | 2 244 | 2 244 | - | 100% | 10 000 | 10 000 |
| Mogale City | 62 114 | - | 23 993 | 86 107 | 86 107 | | | 86 107 | 86 107 | - | 100% | 81 646 | 81 646 |
| Msunduzi | 30 000 | - | 15 000 | 45 000 | 45 000 | - | - | 45 000 | 45 000 | - | 100% | 20 000 | 20 000 |
| Nelson Mandela Bay | - | - | - | - | - | - | - | - | - | - | 0% | 17 213 | 17 213 |
| Newcastle | 22, 194 | | - | 22 194 | 22 194 | | | 22 194 | 22 194 | - | 100% | 20 000 | 20 000 |
| Nkomazi | 100 | - | (100) | - | - | - | - | - | - | - | 0% | - | - |
| Nyandeni | 10 000 | - | - | 10 000 | 10 000 | - | - | 10 000 | 10 000 | - | 100% | 600 | 600 |
| Polokwane | 44 320 | - | (21 320) | 23 000 | 23 000 | - | - | 23 000 | 23 000 | - | 100% | 44 984 | 44 984 |
| Rand West City | 12 600 | - | 10 167 | 22 767 | 22 767 | - | - | 22 767 | 22 767 | - | 100% | 17 719 | 17 719 |
| Ray Nkonyeni | 14 900 | - | - | 14 900 | 14 900 | - | - | 14 900 | 14 900 | - | 100% | 25 000 | 25 000 |
| Rustenburg | 15 379 | - | (5 079) | 10 300 | 10 300 | - | - | 10 300 | 10 300 | - | 100% | 10 580 | 10 580 |
| Sol Plaatjie | 100 | - | (100) | - | - | - | - | - | - | - | 0% | - | - |
| Thulamela | 2 100 | - | (2 100) | - | - | - | - | - | - | - | 0% | 16 425 | 16 425 |
| West Rand District Municipality | 29 418 | - | (29 418) | - | - | - | - | - | - | - | 0% | 38 483 | 38 483 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | | SPENT | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DoRA and other transfers | Roll Overs | Adjust-ments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Amount received by Municipality | Amount spent by munici-pality | Unspent funds | % of available funds spent by munici-pality | DoRA and other transfers | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Total** | **542 397** | **-** | **-** | **542 397** | **542 396** | **-** | **-** | **542 396** | **542 396** | **-** | **100%** | **1 290 552** | **1 290 552** |
| | | | | | | | | | | | | | |
| **Schedule 6B** | **99 140** | **-** | **-** | **99 140** | **99 140** | **-** | **-** | **99 140** | **64 495** | **34 645** | **65%** | **94 890** | **93 925** |

| INFRASTRUCTURE SKILLS DEVELOPMENT GRANT | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Buffalo City | 9 000 | - | - | 9 000 | 9 000 | - | - | 9 000 | 5 492 | 3 508 | 61% | 11 000 | 11 000 |
| Nelson Mandela Bay | 8 900 | - | - | 8 900 | 8 900 | - | - | 8 900 | 4 635 | 4 265 | 52% | 13 800 | 13 800 |
| King Sabata Dalindyebo | 4 000 | - | - | 4 000 | 4 000 | - | - | 4 000 | 2 185 | 1 815 | 55% | 6 000 | 6 000 |
| Alfred Nzo | 5 100 | - | - | 5 100 | 5 100 | - | - | 5 100 | 3 063 | 2 037 | 60% | 6 500 | 6 500 |
| City of Johannesburg | 9 600 | - | (2 600) | 7 000 | 7 000 | - | - | 7 000 | 4 620 | 2 380 | 66% | 6 500 | 6 500 |
| eThekwini | 27 500 | - | - | 27 500 | 27 500 | - | - | 27 500 | 18 406 | 9 094 | 67% | 25 500 | 25 500 |
| Alfred Duma | 4 000 | - | - | 4 000 | 4 000 | - | - | 4 000 | 2 234 | 1 766 | 56% | 4 000 | 4 000 |
| Thulamela | 4 800 | - | - | 4 800 | 4 800 | - | - | 4 800 | 2 728 | 2 072 | 57% | 5 500 | 5 500 |
| Vhembe | 4 800 | - | - | 4 800 | 4 800 | - | - | 4 800 | 2 068 | 2 732 | 43% | 4 800 | 4 800 |
| Polokwane | 8 000 | - | 2 600 | 10 600 | 10 600 | - | - | 10 600 | 7 008 | 3 592 | 66% | 8 000 | 8 000 |
| Govan Mbeki | 22 774 | - | - | 22 774 | 22 774 | - | - | 22 774 | 13 635 | 9 139 | 60% | 24 400 | 24 400 |
| Gert Sibande | 17 000 | - | - | 17 000 | 17 000 | - | - | 17 000 | 8 538 | 8 462 | 50% | 14 500 | 14 500 |
| John Taolo Gaetsewe | 4 700 | - | - | 4 700 | 4 700 | - | - | 4 700 | 3 135 | 1 565 | 67% | 5 000 | 5 000 |
| Sol Plaatjie | 4 400 | - | - | 4 400 | 4 400 | - | - | 4 400 | 2 595 | 1 805 | 59% | 4 500 | 4 500 |
| City of Cape Town | 26 200 | - | - | 26 200 | 26 200 | - | - | 26 200 | 18 016 | 8184 | 69% | 14 000 | 14 000 |
| George | 6 000 | | | 6 000 | 6 000 | - | - | 6 000 | 5 897 | 103 | 98% | 6 000 | 6 000 |
| Ehlanzeni District Municipality | 3 000 | | | 3 000 | 3 000 | - | - | 3 000 | 1 874 | 1 126 | 62% | 3 365 | 3 365 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mafikeng | 3 000 | | | 3 000 | 3 000 | - | - | 3 000 | 1 696 | 1 304 | 57% | 2 000 | 2 000 |
| **Total** | **172 774** | **-** | **-** | **172 774** | **172 774** | **-** | **-** | **172 774** | **107 825** | **64 949** | **62%** | **165 365** | **165 365** |
| **URBAN DEVELOPMENT FINANCING GRANT** | | | | | | | | | | | | | |
| Buffalo City | 231 098 | - | (10 000) | 221 098 | 221 098 | - | - | 221 098 | 221 098 | - | 100% | - | - |
| City of Cape Town | 594 021 | - | 38 267 | 632 288 | 632 288 | - | - | 632 288 | 632 288 | - | 100% | - | - |
| City of Ekurhuleni | 307 756 | - | (8 000) | 299 756 | 299 756 | - | - | 299 756 | 299 756 | - | 100% | - | - |
| eThekwini | 630 808 | - | (16 574) | 614 234 | 614 234 | - | - | 614 234 | 614 234 | - | 100% | - | - |
| City of Johannesburg | 622 932 | - | 22 387 | 645 319 | 645 319 | - | - | 645 319 | 645 319 | - | 100% | - | - |
| Mangaung | 162 102 | - | (14 435) | 147 667 | 147 667 | - | - | 147 667 | 147 667 | - | 100% | - | - |
| Nelson Mandela | 48 800 | - | (26 400) | 22 400 | 22 400 | - | - | 22 400 | 22 400 | - | 100% | - | - |
| City of Tshwane | 493 559 | - | 14 755 | 508 314 | 508 314 | - | - | 508 314 | 508 314 | - | 100% | - | - |
| | | | | | | | | | | | | | |
| **Total** | **3 091 076** | **-** | **-** | **3 091 076** | **3 091 076** | **-** | **-** | **3 091 076** | **3 091 076** | **-** | **100%** | **-** | **-** |
| **PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT** | | | | | | | | | | | | | |
| Buffalo City | - | - | - | - | - | - | - | - | - | - | | 15 000 | 15 000 |
| City of Cape Town | - | - | - | - | - | - | - | - | - | - | | 80 000 | 80 000 |
| City of Ekurhuleni | - | - | - | - | - | - | - | - | - | - | | 76 126 | 76 126 |
| eThekwini | - | - | - | - | - | - | - | - | - | - | | 40 000 | 40 000 |
| City of Johannesburg | - | - | - | - | - | - | - | - | - | - | | 65 234 | 65 234 |
| Mangaung | - | - | - | - | - | - | - | - | - | - | | 10 000 | 10 000 |
| Nelson Mandela | - | - | - | - | - | - | - | - | - | - | | 15 000 | 15 000 |
| City of Tshwane | - | - | - | - | - | - | - | - | - | - | | 84 480 | 84 480 |
| **TOTAL** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | **385 840** | **385 840** |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | | SPENT | | | | 2024/25 | |
| | DoRA and other transfers | Roll Overs | Adjust--ments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Amount received by Municipality | Amount spent by munici-pality | Unspent funds | % of available funds spent by munici-pality | Division of Revenue Act | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| !Kai !Garib | 3 800 | - | - | 3 800 | 3 800 | - | - | 3 800 | 944 | 2 856 | 25% | 3 800 | 3 800 |
| !Kheis | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 184 | 1 816 | 39% | 3 000 | 3 000 |
| AbaQulusi | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 455 | 545 | 82% | 3 000 | 3 000 |
| Alfred Duma | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 472 | 528 | 74% | 2 000 | 2 000 |
| Alfred Nzo District Municipality | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 513 | 1 487 | 26% | 1 900 | 1 900 |
| Amahlathi | 2 200 | - | - | 2 200 | 2 200 | - | - | 2 200 | 1 559 | 641 | 71% | 2 200 | 2 200 |
| Amajuba District Municipality | 3 800 | - | - | 3 800 | 3 800 | - | - | 3 800 | 2 898 | 902 | 76% | 3 800 | 3 800 |
| Amathole District Municipality | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 1 226 | 1 374 | 47% | 2 600 | 2 600 |
| Ba-Phalaborwa | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 213 | 787 | 74% | 3 000 | 3 000 |
| Beaufort West | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 571 | 429 | 79% | 2 000 | 2 000 |
| Bela-Bela | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 158 | 742 | 61% | 1 800 | 1 800 |
| Bergrivier | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 827 | 973 | 46% | 1 700 | 1 700 |
| Big Five Hlabisa | 2 700 | - | - | 2 700 | 2 700 | - | - | 2 700 | 1 634 | 1 066 | 61% | 2 700 | 2 700 |
| Bitou | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 288 | 1 612 | 15% | 1 800 | 1 800 |
| Blouberg | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 988 | 1,412 | 41% | 2 400 | 2 400 |
| Blue Crane Route | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 1 817 | 583 | 76% | 2 400 | 2 400 |
| Bojanala Platinum District Municipality | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 667 | 1 133 | 37% | 1 800 | 1 800 |
| Breede Valley | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 452 | 1 248 | 27% | 1 600 | 1 600 |
| Buffalo City | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 734 | 266 | 73% | 1 000 | 1 000 |
| Bushbuckridge | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 2 180 | 420 | 84% | 2 600 | 2 600 |
| Cape Agulhas | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 718 | 1 082 | 40% | 1 700 | 1 700 |
| Cape Winelands | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 491 | 509 | 49% | 1 000 | 1 000 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| District Municipality | | | | | | | | | | | | | |
| Capricorn District Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 821 | 179 | 82% | 1 000 | 1 000 |
| Cederberg | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 946 | 1 054 | 47% | 2 000 | 2 000 |
| Central Karoo District Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 423 | 577 | 42% | 1 000 | 1 000 |
| Chief Albert Luthuli | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 793 | 1 207 | 40% | 2 000 | 2 000 |
| Chris Hani District Municipality | 2 300 | - | - | 2 300 | 2 300 | - | - | 2 300 | 1 282 | 1 018 | 56% | 2 300 | 2 300 |
| City of Cape Town | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 395 | 605 | 40% | 1 000 | 1 000 |
| City of Johannesburg | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 664 | 336 | 66% | 1 000 | 1 000 |
| City of Matlosana | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 255 | 745 | 75% | 3 000 | 3 000 |
| City of Mbombela | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 875 | 1 725 | 34% | 2 600 | 2 600 |
| City of Tshwane | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 763 | 237 | 88% | 2 000 | 2 000 |
| Collins Chabane | 2 500 | - | - | 2 500 | 2 500 | - | - | 2 500 | 836 | 1 664 | 33% | 2 500 | 2 500 |
| Dannhauser | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 810 | 190 | 91% | 1 900 | 1 900 |
| Dawid Kruiper | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 380 | 620 | 79% | 3 000 | 3 000 |
| Dihlabeng | 2 700 | - | - | 2 700 | 2 700 | - | - | 2 700 | 2 288 | 412 | 85% | 2 700 | 2 700 |
| Dikgatlong | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 301 | 699 | 77% | 3 000 | 3 000 |
| Dipaleseng | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 321 | 2 479 | 11% | 2 800 | 2 800 |
| Ditsobotla | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 192 | 1 808 | 40% | 3 000 | 3 000 |
| Dr Beyers Naude | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 405 | 595 | 80% | 3 000 | 3 000 |
| Dr JS Moroka | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 919 | 1 481 | 38% | 2 400 | 2 400 |
| Dr Kenneth Kaunda District Municipality | 1 100 | - | - | 1 100 | 1 100 | - | - | 1 100 | 270 | 830 | 25% | 1 000 | 1 000 |
| Dr Nkosazana Dlamini Zuma | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 340 | 660 | 67% | 1 900 | 1 900 |
| Dr Pixley ka Isaka Seme | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 1 198 | 1 202 | 50% | 2 400 | 2 400 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dr Ruth Segomotsi Mompati District | 3 600 | - | - | 3 600 | 3 600 | - | - | 3 600 | 2 418 | 1 182 | 67% | 3 600 | 3 600 |
| Dr. A.B. Xuma | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 1 467 | 333 | 82% | 1 700 | 1 700 |
| Drakenstein | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 823 | 877 | 48% | 1 600 | 1 600 |
| eDumbe | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 496 | 504 | 83% | 3 000 | 3 000 |
| Ehlanzeni District Municipality | 1 100 | - | - | 1 100 | 1 100 | - | - | 1 100 | 677 | 423 | 62% | 1 000 | 1 000 |
| Ekurhuleni | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 682 | 318 | 68% | 1 000 | 1 000 |
| Elias Motsoaledi | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 2 287 | 513 | 82% | 2 800 | 2 800 |
| Elundini | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 1 226 | 574 | 68% | 1 700 | 1 700 |
| eMadlangeni | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 279 | 721 | 76% | 3 000 | 3 000 |
| Emakhazeni | 3 800 | - | - | 3 800 | 3 800 | - | - | 3 800 | 3 306 | 494 | 87% | 3 800 | 3 800 |
| Emalahleni | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 569 | 431 | 86% | 3 000 | 3 000 |
| Emalahleni | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 345 | 2 655 | 12% | 3 000 | 3 000 |
| Emfuleni | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 337 | 1 663 | 17% | 2 000 | 2 000 |
| Emthanjeni | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 862 | 938 | 48% | 1 800 | 1 800 |
| eNdumeni | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 563 | 437 | 78% | 2 000 | 2 000 |
| Enoch Mgijima | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 340 | 1 660 | 45% | 3 000 | 3 000 |
| Ephraim Mogale | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 546 | 1 454 | 52% | 3 000 | 3 000 |
| eThekwini | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 316 | 684 | 32% | 1 000 | 1 000 |
| Fetakgomo Tubatse | 2 500 | - | - | 2 500 | 2 500 | - | - | 2 500 | 138 | 2 362 | 6% | 2 500 | 2 500 |
| Fezile Dabi District Municipality | 1 400 | - | - | 1 400 | 1 400 | - | - | 1 400 | 339 | 1 061 | 24% | 1 300 | 1 300 |
| Frances Baard District Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 801 | 199 | 80% | 1 000 | 1 000 |
| Gamagara | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | - | 2 000 | 0% | 2 000 | 2 000 |
| Garden Route District Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 495 | 505 | 50% | 1 000 | 1 000 |
| Ga-Segonyana | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 467 | 1 533 | 23% | 3 000 | 3 000 |
| George | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 984 | 916 | 52% | 1 800 | 1 800 |
| Gert Sibande District Municipality | 1 200 | - | - | 1 200 | 1 200 | - | - | 1 200 | 890 | 310 | 74% | 1 000 | 1 000 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Govan Mbeki | 3 500 | - | - | 3 500 | 3 500 | - | - | 3 500 | 917 | 2 583 | 26% | 3 500 | 3 500 |
| Great Kei | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 1 865 | 535 | 78% | 2 400 | 2 400 |
| Greater Giyani | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 1 684 | 716 | 70% | 2 400 | 2 400 |
| Greater Kokstad | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 102 | 798 | 58% | 1 800 | 1 800 |
| Greater Letaba | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 060 | 940 | 53% | 2 000 | 2 000 |
| Greater Taung | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 143 | 857 | 71% | 3 000 | 3 000 |
| Greater Tzaneen | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 878 | 122 | 94% | 2 000 | 2 000 |
| Hantam | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 386 | 614 | 69% | 1 900 | 1 900 |
| Harry Gwala District Municipality | 1 300 | - | - | 1 300 | 1 300 | - | - | 1 300 | 404 | 896 | 31% | 1 200 | 1 200 |
| Hessequa | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 1 775 | 25 | 99% | 1 700 | 1 700 |
| iLembe District Municipality | 1 100 | - | - | 1 100 | 1 100 | - | - | 1 100 | 389 | 711 | 35% | 1 000 | 1 000 |
| iMpendle | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 1 404 | 996 | 59% | 2 400 | 2 400 |
| iNkosi Langalibalele | 3 500 | - | - | 3 500 | 3 500 | - | - | 3 500 | 1 421 | 2 079 | 41% | 3 500 | 3 500 |
| Intsika Yethu | 2 100 | - | - | 2 100 | 2 100 | - | - | 2 100 | 1 991 | 109 | 95% | 2 100 | 2 100 |
| Inxuba Yethemba | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 494 | 506 | 83% | 3 000 | 3 000 |
| Joe Gqabi District Municipality | 1 500 | - | - | 1 500 | 1 500 | - | - | 1 500 | 563 | 937 | 38% | 1 500 | 1 500 |
| Joe Morolong | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 753 | 2 247 | 25% | 3 000 | 3 000 |
| John Taolo Gaetsewe District | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 631 | 369 | 63% | 1 000 | 1 000 |
| Jozini | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 872 | 2 128 | 29% | 3 000 | 3 000 |
| Kagisano-Molopo | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 590 | 1 410 | 53% | 3 000 | 3 000 |
| Kamiesberg | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 583 | 1 417 | 53% | 3 000 | 3 000 |
| Kannaland | 2 900 | - | - | 2 900 | 2 900 | - | - | 2900 | 1 477 | 1 423 | 51% | 2 900 | 2 900 |
| Kareeberg | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 1 739 | 1 061 | 62% | 2 800 | 2 800 |
| Karoo Hoogland | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 1 167 | 1 433 | 45% | 2 600 | 2 600 |
| Kgatelopele | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 392 | 608 | 80% | 3 000 | 3 000 |
| Kgetlengrivier | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 294 | 2 706 | 10% | 3 000 | 3 000 |
| Khâi-Ma | 2 900 | - | - | 2 900 | 2 900 | - | - | 2 900 | 1 416 | 1 484 | 49% | 2 900 | 2 900 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| King Cetshwayo District Municipality | 1 300 | - | - | 1 300 | 1 300 | - | - | 1 300 | 889 | 411 | 68% | 1 200 | 1 200 |
| King Sabata Dalindyebo | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 2 430 | 370 | 87% | 2 800 | 2 800 |
| Knysna | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 500 | 1 400 | 26% | 1 800 | 1 800 |
| Kopanong | 2 300 | - | - | 2 300 | 2 300 | - | - | 2 300 | 2 182 | 118 | 95% | 2 300 | 2 300 |
| Kouga | 1 785 | - | - | 1 785 | 1 785 | - | - | 1 785 | 1 293 | 492 | 72% | 1 723 | 1 723 |
| Kou-Kamma | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 2 067 | 533 | 80% | 2 600 | 2 600 |
| KwaDukuza | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 615 | 285 | 85% | 1 800 | 1 800 |
| Laingsburg | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 747 | 1 153 | 39% | 1 800 | 1 800 |
| Langeberg | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 1 038 | 662 | 61% | 1 600 | 1 600 |
| Lejweleputswa District Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 444 | 556 | 44% | 1 000 | 1 000 |
| Lekwa | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 2 493 | 307 | 89% | 2 800 | 2 800 |
| Lekwa-Teemane | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 878 | 1 122 | 63% | 3 000 | 3 000 |
| Lepele-Nkumpi | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 455 | 545 | 73% | 2 000 | 2 000 |
| Lephalale | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 895 | 5 | 100% | 1 800 | 1 800 |
| Lesedi | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 489 | 511 | 74% | 1 900 | 1 900 |
| Letsemeng | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 246 | 754 | 75% | 3 000 | 3 000 |
| Madibeng | 2 900 | - | - | 2 900 | 2 900 | - | - | 2 900 | 1 759 | 1 141 | 61% | 2 900 | 2 900 |
| Mafikeng | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 844 | 156 | 95% | 3 000 | 3 000 |
| Mafube | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 672 | 2 328 | 22% | 3 000 | 3 000 |
| Magareng | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 379 | 1 621 | 46% | 3 000 | 3 000 |
| Makana | 3 800 | - | - | 3 800 | 3 800 | - | - | 3 800 | 2 866 | 934 | 75% | 3 800 | 3 800 |
| Makhado | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 919 | 81 | 96% | 1 900 | 1 900 |
| Makhuduthamaga | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 535 | 365 | 81% | 1 800 | 1 800 |
| Maluti-a-Phofung | 3, 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 756 | 2 244 | 25% | 3 000 | 3 000 |
| Mamusa | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 668 | 1 332 | 56% | 3 000 | 3 000 |
| Mandeni | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 438 | 462 | 76% | 1 800 | 1 800 |
| Mangaung | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 990 | 10 | 100% | 2 000 | 2 000 |
| Mantsopa | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 536 | 464 | 85% | 3 000 | 3 000 |
| Maphumulo | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 677 | 1 223 | 36% | 1 800 | 1 800 |
| Maquassi Hills | 3 800 | - | - | 3 800 | 3 800 | - | - | 3 800 | 3 390 | 410 | 89% | 3 800 | 3 800 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Maruleng | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 450 | 450 | 76% | 1 800 | 1 800 |
| Masilonyana | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 562 | 2 038 | 22% | 2 600 | 2 600 |
| Matatiele | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 530 | 1 270 | 29% | 1 700 | 1 700 |
| Matjhabeng | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 774 | 226 | 92% | 3 000 | 3 000 |
| Matzikama | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 840 | 1 060 | 44% | 1 800 | 1 800 |
| Mbhashe | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 1 104 | 596 | 65% | 1 700 | 1 700 |
| Merafong City | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 2 006 | 794 | 72% | 2 800 | 2 800 |
| Metsimaholo | 2 700 | - | - | 2 700 | 2 700 | - | - | 2 700 | 654 | 2 046 | 24% | 2 700 | 2 700 |
| Mhlontlo | 2 300 | - | - | 2 300 | 2 300 | - | - | 2 300 | 1 739 | 561 | 76% | 2 300 | 2 300 |
| Midvaal | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 898 | 1 102 | 45% | 1 800 | 1 800 |
| Mkhambathini | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 895 | 105 | 97% | 3 000 | 3 000 |
| Mkhondo | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 280 | 2 720 | 9% | 3 000 | 3 000 |
| Mnquma | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 832 | 68 | 96% | 1 900 | 1 900 |
| Modimolle-Mookgophong | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 1 225 | 1 375 | 47% | 2 600 | 2 600 |
| Mogalakwena | 3 500 | - | - | 3 500 | 3 500 | - | - | 3 500 | 2 099 | 1 401 | 60% | 3 500 | 3 500 |
| Mogale City | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 465 | 1 435 | 24% | 1 800 | 1 800 |
| Mohokare | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 588 | 412 | 86% | 3 000 | 3 000 |
| Molemole | 2 200 | - | - | 2 200 | 2 200 | - | - | 2 200 | 701 | 1 499 | 32% | 2 200 | 2 200 |
| Mopani District Municipality | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 336 | 1 664 | 45% | 3 000 | 3 000 |
| Moqhaka | 2 300 | - | - | 2 300 | 2 300 | - | - | 2 300 | 1 388 | 912 | 60% | 2 300 | 2 300 |
| Moretele | 2 900 | - | - | 2 900 | 2 900 | - | - | 2 900 | 1 600 | 1 300 | 55% | 2 900 | 2 900 |
| Moses Kotane | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 146 | 854 | 57% | 2 000 | 2 000 |
| Mossel Bay | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 519 | 1 281 | 29% | 1 700 | 1 700 |
| Mpofana | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 265 | 2 735 | 9% | 3 000 | 3 000 |
| Msukaligwa | 3 800 | - | - | 3 800 | 3 800 | - | - | 3 800 | 2 645 | 1 155 | 70% | 3 800 | 3 800 |
| Msunduzi | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 870 | 1 130 | 44% | 1 900 | 1 900 |
| Mthonjaneni | 2,800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 1 811 | 989 | 65% | 2 800 | 2 800 |
| iNkosi uMtubatuba | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 659 | 341 | 83% | 1 900 | 1 900 |
| Musina | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 784 | 216 | 93% | 3 000 | 3 000 |
| Nala | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 117 | 883 | 71% | 3 000 | 3 000 |
| Naledi | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 1 922 | 878 | 69% | 2 800 | 2 800 |
| Nama Khoi | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 192 | 1 808 | 40% | 3 000 | 3 000 |
| Namakwa District Municipality | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 593 | 407 | 80% | 2 000 | 2 000 |
| Ndlambe | 2 500 | - | - | 2 500 | 2 500 | - | - | 2 500 | 1 298 | 1 202 | 52% | 2 500 | 2 500 |
| Ndwedwe | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 891 | 109 | 96% | 3 000 | 3 000 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nelson Mandela Bay | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 561 | 439 | 56% | 1 000 | 1 000 |
| Newcastle | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 728 | 1 172 | 38% | 1 800 | 1 800 |
| Ngaka Modiri Molema District | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 262 | 2 738 | 9% | 3 000 | 3 000 |
| Ngqushwa | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 851 | 2 149 | 28% | 3 000 | 3 000 |
| Ngquza Hill | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 094 | 1 906 | 36% | 3 000 | 3 000 |
| Ngwathe | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 986 | 1 014 | 66% | 3 000 | 3 000 |
| Nkandla | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 839 | 1 761 | 32% | 2 600 | 2 600 |
| Nkangala District Municipality | 1 100 | - | - | 1 100 | 1 100 | - | - | 1 100 | 964 | 136 | 88% | 1 000 | 1 000 |
| Nketoana | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 2 583 | 217 | 92% | 2 800 | 2 800 |
| Nkomazi | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 277 | 623 | 67% | 1 800 | 1 800 |
| Nongoma | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 268 | 732 | 63% | 2 000 | 2 000 |
| Nquthu | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 047 | 853 | 55% | 1 800 | 1 800 |
| Ntabankulu | 2 700 | - | - | 2 700 | 2 700 | - | - | 2 700 | 2 121 | 579 | 79% | 2 600 | 2 600 |
| Nyandeni | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 1 298 | 402 | 76% | 1 600 | 1 600 |
| O.R. Tambo District Municipality | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 852 | 1 148 | 43% | 2 000 | 2 000 |
| Okhahlamba | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 676 | 1 224 | 36% | 1 800 | 1 800 |
| Oudtshoorn | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 1 834 | 966 | 66% | 2 800 | 2 800 |
| Overberg District Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 513 | 487 | 51% | 1 000 | 1 000 |
| Overstrand | 1 800 | - | - | 1800 | 1 800 | - | - | 1 800 | 449 | 1 351 | 25% | 1 700 | 1 700 |
| Phokwane | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 322 | 2 678 | 11% | 3 000 | 3 000 |
| Phumelela | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 032 | 968 | 68% | 3 000 | 3 000 |
| Pixley Ka Seme District Municipality | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 1 298 | 502 | 72% | 1 800 | 1 800 |
| Polokwane | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 1 998 | 402 | 83% | 2 400 | 2 400 |
| Port St Johns | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 2 011 | 589 | 77% | 2 600 | 2 600 |
| Prince Albert | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 504 | 396 | 79% | 1 800 | 1 800 |
| Ramotshere Moiloa | 2 300 | - | - | 2 300 | 2 300 | - | - | 2 300 | 365 | 1 935 | 16% | 2 300 | 2 300 |
| Rand West City | 2 300 | - | - | 2 300 | 2 300 | - | - | 2 300 | 1 809 | 491 | 79% | 2 300 | 2 300 |
| Ratlou | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 152 | 1 848 | 38% | 3 000 | 3 000 |
| Ray Nkonyeni | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 640 | 360 | 82% | 1 900 | 1 900 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Raymond Mhlaba | 2 800 | - | - | 2 800 | 2 800 | - | - | 2 800 | 1 705 | 1 095 | 61% | 2 800 | 2 800 |
| Renosterberg | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 526 | 1 474 | 51% | 3 000 | 3 000 |
| Richmond | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 995 | 5 | 100% | 1 900 | 1 900 |
| Richtersveld | 2 600 | - | - | 2 600 | 2 600 | - | - | 2 600 | 1 670 | 930 | 64% | 2 600 | 2 600 |
| Rustenburg | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 218 | 1 682 | 11% | 1 800 | 1 800 |
| Sakhisizwe | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 183 | 817 | 73% | 3 000 | 3 000 |
| Saldanha Bay | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 349 | 1 351 | 21% | 1 600 | 1 600 |
| Sarah Baartman District Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | 791 | 209 | 79% | 1 000 | 1 000 |
| Sedibeng District Municipality | 1 500 | - | - | 1 500 | 1 500 | - | - | 1 500 | 739 | 761 | 49% | 1 400 | 1 400 |
| Sekhukhune District Municipality | 2 400 | - | - | 2 400 | 2 400 | - | - | 2 400 | 2 053 | 347 | 86% | 2 400 | 2 400 |
| Senqu | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 1 020 | 780 | 57% | 1 700 | 1 700 |
| Setsoto | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 604 | 396 | 80% | 2 000 | 2 000 |
| Siyancuma | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 487 | 1 513 | 50% | 3 000 | 3 000 |
| Siyathemba | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | - | 3 000 | 0% | 3 000 | 3 000 |
| Sol Plaatjie | 1 800 | - | - | 1 800 | 1 800 | - | - | 1 800 | 722 | 1 078 | 40% | 1 800 | 1 800 |
| Stellenbosch | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 495 | 1 205 | 29% | 1 600 | 1 600 |
| Steve Tshwete | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 814 | 1 086 | 43% | 1 800 | 1 800 |
| Sundays River Valley | 3 800 | - | - | 3 800 | 3 800 | - | - | 3 800 | 880 | 2 920 | 23% | 3 800 | 3 800 |
| Swartland | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 | 1 045 | 655 | 61% | 1 600 | 1 600 |
| Swellendam | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 538 | 1 362 | 28% | 1 800 | 1 800 |
| Thaba Chweu | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 583 | 2 417 | 19% | 3 000 | 3 000 |
| Thabazimbi | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 2 349 | 651 | 78% | 3 000 | 3 000 |
| Thabo Mofutsanyana District | 2 300 | - | - | 2 300 | 2 300 | - | - | 2 300 | 1 997 | 303 | 87% | 2 300 | 2 300 |
| Theewaterskloof | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 237 | 663 | 65% | 1 800 | 1 800 |
| Thembelihle | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 556 | 1 444 | 52% | 3 000 | 3 000 |
| Thembisile Hani | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 872 | 1 028 | 46% | 1 800 | 1 800 |
| Thulamela | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 866 | 34 | 98% | 1 800 | 1 800 |
| Tokologo | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 918 | 2 082 | 31% | 3 000 | 3 000 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tsantsabane | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 1 919 | 1 081 | 64% | 3 000 | 3 000 |
| Tswaing | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 458 | 2 542 | 15% | 3 000 | 3 000 |
| Tswelopele | 2 100 | - | - | 2 100 | 2 100 | - | - | 2 100 | 2 050 | 50 | 98% | 2 100 | 2 100 |
| Johannes Phumani Phungula | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 285 | 715 | 64% | 1 900 | 1 900 |
| Ubuntu | 2 900 | - | - | 2 900 | 2 900 | - | - | 2 900 | 1 739 | 1 161 | 60% | 2 900 | 2 900 |
| Ugu District Municipality | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 081 | 919 | 54% | 1 900 | 1 900 |
| Ulundi | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 105 | 895 | 55% | 2 000 | 2 000 |
| uMdoni | 2 000 | - | - | 2 000 | 2 000 | - | - | 2 000 | 1 283 | 717 | 64% | 1 900 | 1 900 |
| uMfolozi | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 600 | 300 | 84% | 1 800 | 1 800 |
| uMgungundlovu District Municipality | 1 200 | - | - | 1 200 | 1 200 | - | - | 1 200 | 421 | 779 | 35% | 1 200 | 1 200 |
| uMhlabuyalingana | 1 900 | - | - | 1 900 | 1 900 | - | - | 1 900 | 1 585 | 315 | 83% | 1 800 | 1 800 |
| uMhlathuze | 2 500 | | | 2 500 | 2 500 | | | 2 500 | 1 236 | 1 264 | 49% | 2 500 | 2 500 |
| uMkhanyakude District Municipality | 3 500 | | | 3 500 | 3 500 | | | 3 500 | 496 | 3 004 | 14% | 3 500 | 3 500 |
| uMlalazi | 1 900 | | | 1 900 | 1 900 | | | 1 900 | 1 616 | 284 | 85% | 1 800 | 1 800 |
| uMngeni | 1 900 | | | 1 900 | 1 900 | | | 1 900 | 1 797 | 103 | 95% | 1 800 | 1 800 |
| uMshwathi | 2 000 | | | 2 000 | 2 000 | | | 2 000 | 1 432 | 568 | 72% | 1 900 | 1 900 |
| uMsinga | 1 900 | | | 1 900 | 1 900 | | | 1 900 | 151 | 1 749 | 8% | 1 800 | 1 800 |
| Umsobomvu | 2 000 | | | 2 000 | 2 000 | | | 2 000 | 998 | 1 002 | 50% | 1 900 | 1 900 |
| uMuziwabantu | 1 900 | | | 1 900 | 1 900 | | | 1 900 | 1 787 | 113 | 94% | 1 800 | 1 800 |
| uMvoti | 2 500 | | | 2 500 | 2 500 | | | 2 500 | 1 201 | 1 299 | 48% | 2 500 | 2 500 |
| uMzimkhulu | 1 900 | | | 1 900 | 1 900 | | | 1 900 | 1 584 | 316 | 83% | 1 800 | 1 800 |
| Umzimvubu | 1 800 | | | 1 800 | 1 800 | | | 1 800 | 1 035 | 765 | 58% | 1 700 | 1 700 |
| uMzinyathi District Municipality | 3 000 | | | 3 000 | 3 000 | | | 3 000 | 749 | 2 251 | 25% | 3 000 | 3 000 |
| uMzumbe | 1 900 | | | 1 900 | 1 900 | | | 1 900 | - | 1 900 | 0% | 1 800 | 1 800 |
| uPhongolo | 3 000 | | | 3 000 | 3 000 | | | 3 000 | 2 619 | 381 | 87% | 3 000 | 3 000 |
| uThukela District Municipality | 2 000 | | | 2 000 | 2 000 | | | 2 000 | 1 299 | 701 | 65% | 2 000 | 2 000 |
| JB Marks | 3 000 | | | 3 000 | 3 000 | | | 3 000 | 1 127 | 1 873 | 38% | 3 000 | 3 000 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vhembe District Municipality | 3 000 | | | 3 000 | 3 000 | | | 3 000 | 575 | 2 425 | 19% | 3 000 | 3 000 |
| Victor Khanye | 1 900 | | | 1 900 | 1 900 | | | 1 900 | 1 195 | 705 | 63% | 1 800 | 1 800 |
| Walter Sisulu | 2 200 | | | 2 200 | 2 200 | | | 2 200 | 1 448 | 752 | 66% | 2 200 | 2 200 |
| Waterberg District Municipality | 1 100 | | | 1 100 | 1 100 | | | 1 100 | 648 | 452 | 59% | 1 000 | 1 000 |
| West Coast District Municipality | 1 000 | | | 1 000 | 1 000 | | | 1 000 | 154 | 846 | 15% | 1 000 | 1 000 |
| West Rand District Municipality | 1 300 | | | 1 300 | 1 300 | | | 1 300 | 608 | 692 | 47% | 1 200 | 1 200 |
| Winnie Madikizela-Mandela | 2 100 | | | 2 100 | 2 100 | | | 2 100 | 693 | 1 407 | 33% | 2 100 | 2 100 |
| Witzenberg | 1 700 | | | 1 700 | 1 700 | | | 1 700 | 1 188 | 512 | 70% | 1 600 | 1 600 |
| Xhariep District Municipality | 1 800 | | | 1 800 | 1 800 | | | 1 800 | 1 462 | 338 | 81% | 1 700 | 1 700 |
| Z.F. Mgcawu District Municipality | 1 200 | | | 1 200 | 1 200 | | | 1 200 | 671 | 529 | 56% | 1 200 | 1 200 |
| Zululand District Municipality | 1 300 | | | 1 300 | 1 300 | | | 1 300 | 751 | 549 | 58% | 1 200 | 1 200 |
| **Total** | **589 685** | **-** | **-** | **589 685** | **589 685** | **-** | **-** | **589 685** | **335 869** | **253 816** | **57%** | **582 223** | **582 223** |
| | | | | | | | | | | | | | |

# ANNEXURE 1B

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENTAL AGENCY/ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted budget | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | Final Budget | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Accounting Standards Board | 15 489 | - | - | 15 489 | 15 489 | 100% | 14 825 | 14 825 |
| Financial Intelligence Centre | 480 989 | - | - | 480 989 | 480 989 | 100% | 400 871 | 400 871 |
| Government Technical Advisory Centre | 375 757 | - | - | 375 757 | 375 757 | 100% | 369 799 | 72 707 |
| Independent Regulatory Board for Auditors | 49 545 | - | - | 49 545 | 49 545 | 100% | 47 421 | 47 421 |
| South African Revenue Service | 15 409 637 | - | - | 15 409 637 | 15 409 637 | 100% | 12 388 563 | 12 388 563 |
| Secret Services | 5 117 536 | - | - | 5 117 536 | 5 117 536 | 100% | 4 864 749 | 4 864 749 |
| Skills Development Levy | 2 768 | - | 455 | 3 223 | 3 223 | 100% | 2 799 | 2 797 |
| Cooperative Banking Development Agency | - | - | - | - | - | | 16 850 | 16 850 |
| Financial and Fiscal Commission | 62 966 | - | - | 62 966 | 62 966 | 100% | 60 266 | 60 266 |
| 1% Audit fees (AGSA)-Direct Charge | 134 338 | - | - | 134 338 | 134 338 | 100% | 128 578 | 128 578 |
| COM: LICENCES | - | - | - | - | - | | 10 | 8 |
| **Total** | **21 649 025** | **-** | **455** | **21 649 480** | **21 649 480** | | **18 294 731** | **17 997 635** |

# ANNEXURE 1D

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

| NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE | TRANSFER ALLOCATION | | | | EXPENDITURE | | | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | Capital | Current | Final Budget | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| **Public corporations** | | | | | | | | | | |
| **Transfers** | **80 391 590** | **-** | **-** | **80 391 590** | **153 048** | **0%** | **-** | **-** | **164 047 314** | **100 000 000** |
| DEVELOPMENT BANK OF SA | 40 000 | - | - | 40 000 | 34 458 | 86% | - | - | 47 314 | - |
| ESKOM | 80 233 000 | - | - | 80 233 000 | - | 0% | - | - | 64 000 000 | - |
| SARB: Guarantees, indemnities and securities: Payment to the South African Reserve Bank | 118 590 | | | 118 590 | 118 590 | 100% | | | - | - |
| SARB: GFECRA | | | | | | | | | 100 000 000 | 100 000 000 |
| **Subtotal: Public corporations** | **80 391 590** | **-** | **-** | **80 391 590** | **153 048** | **0%** | **-** | **-** | **164 047 314** | **100 000 000** |
| | | | | | | | | | | |
| **Private Enterprises** | | | | | | | | | | |
| **Transfers** | **300 577** | **-** | **-** | **300 577** | **300 577** | **100%** | **-** | **-** | **297 092** | **-** |
| GOVERNMENT TECHNICAL ADVISORY CENTRE - Jobs Fund | 300 577 | | | 300 577 | 300 577 | 100% | | | 297 092 | - |
| **Subtotal: Private Enterprises** | **300 577** | **-** | **-** | **300 577** | **300 577** | **100%** | **-** | **-** | **297 092** | **-** |
| **TOTAL** | **80 692 167** | **-** | **-** | **80 692 167** | **453 625** | **1%** | **-** | **-** | **164 344 406** | **100 000 000** |

# ANNEXURE 1E

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

| FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | Final Budget | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Transfers** | | | | | | | | |
| African Regional Tech Assist Centre for Southern Africa | 1 476 | - | - | 1 476 | 948 | 64% | 1 413 | 928 |
| Common Monetary Area Compensation | 1 668 161 | - | (589 341) | 1 078 820 | 1 078 560 | 100% | 1 414 329 | 1 235 452 |
| International Funding Facility for Immunisation | 21 605 | - | - | 21 605 | 15 939 | 74% | 20 850 | 19 189 |
| Institute for Development Economic Planning (IDEP) | 1 505 | - | 14 | 1 519 | 1 516 | 100% | 1 476 | 1 477 |
| African Development Bank & African Development Fund | 119 401 | - | - | 119 401 | 106 667 | 89% | 114 281 | 109 208 |
| Collaborative African Budget Reform Initiative | 2 668 | - | - | 2 668 | 2 668 | 100% | 2 900 | 2 681 |
| Commonwealth Fund for Technical Cooperation | 6 635 | - | 1 | 6 636 | 6 635 | 100% | 6 308 | 6 308 |
| United Kingdom Tax | 723 | - | - | 723 | 249 | 34% | 250 | 249 |
| World Bank (FIGO) | 69 312 | - | - | 69 312 | 66 340 | 96% | 66 340 | 66 340 |
| **TOTAL** | **1 891 486** | **-** | **(589 326)** | **1 302 160** | **1 279 522** | **0%** | **1 628 147** | **1 441 832** |

# ANNEXURE 1G

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2024/25 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | Final Budget | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Transfers** | | | | | | | | |
| Other benefits | 135 000 | - | - | 135 000 | 128 275 | 95% | 140 255 | 140 255 |
| Other benefits Ex-Service Men | 14 000 | - | - | 14 000 | 12 698 | 91% | 10 831 | 10 826 |
| Injury on duty | 922 237 | - | 19 000 | 941 237 | 936 790 | 100% | 887 366 | 887 365 |
| Military Pensions ex-servicemen | 260 | - | - | 260 | 231 | 89% | 285 | 285 |
| SA Citizen Force | 219 024 | - | - | 219 024 | 216 956 | 99% | 221 937 | 221 929 |
| Special Pensions | 500 000 | - | - | 500 000 | 490 925 | 98% | 486 120 | 486 100 |
| Post Retirement Medical Schemes Contribution | 6 245 476 | - | (19 000) | 6 226 476 | 6 208 269 | 99% | 5 541 281 | 5 540 715 |
| Social Assistance (Bursaries) | 2 514 | - | (156) | 2 358 | 2 235 | 95% | 1 947 | 1 236 |
| Service Benefits leave gratuity | 2 632 | - | 287 | 2 919 | 2412 | 83% | 3 940 | 3 722 |
| Claims against state | - | - | 1 292 | 1 292 | 1 291 | 100% | 4 849 | 4 834 |
| Pension Benefit RSA President | 11 986 | - | - | 11 986 | 11 909 | 99% | 11 796 | 11 795 |
| PFMI | 378 | - | - | 378 | 210 | 56% | 259 | 256 |
| Donations&Gifts (Cash) | - | | 2 | 2 | 2 | 100% | 13 | 12 |
| Social Benefit: Post Retirement Benefit | 124 | | 4 867 | 4 991 | 4 956 | 99% | 1 087 | 1 084 |
| Social Benefit: VEP Incentives | - | | 3 439 | 3 439 | 3 438 | 100% | - | - |
| Social Benefit: ERP Incentives | - | | 6 252 | 6 252 | 6 244 | 100% | | |
| **TOTAL** | **8 053 631** | **-** | **15 983** | **8 069 614** | **8 026 841** | **100%** | **7 311 966** | **7 310 414** |

# ANNEXURE 1H

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

| NAME OF ORGANISATION | NATURE OF GIFT, DONATION OR SPONSORSHIP | R'000 | R'000 |
|---|---|---|---|
| **Received in kind** | | | |
| **Gifts** | | | |
| IGR | CIGFARO Conference | | 1 |
| ODG | US EMBASY | | 1 |
| ODG | INVESTEC & Rand Merchant Band (RMB) | | 2 |
| ODG | G20 Confrence,NDB & SAICA | | 1 |
| ALM | SFA NT | | 6 |
| IGR | SALGA - Polar Box cooler | | 1 |
| IGR | Gauteng Treasury Promotional Gift for 2025 TCF Lekgotla | 12 | |
| OAG | Gauteng Treasury Promotional Gift for 2025 TCF Lekgotla | 2 | |
| OAG | Corporate Gift | 1 | |
| **Total gifts** | | **15** | **12** |
| **Sponsorships** | | | |
| ODG | G20 Summit | | 17 062 |
| CS HRD | Fasset: Executive & Middle Managers Development Programme | | 5 693 |
| CS HRD | KFW Development Bank: Study Tour | | 726 |
| CS HRD | Stanford University: The Emerging CFO: Strategic Financial Leadership Program | | 495 |
| ODG | G20 Conference | 38 035 | |
| CS HRD | German Institute of Development and Sustainability | 46 | |
| CS HRD | Gordon Institute of Business Science | 142 | |
| CS HRD | International Monetary Fund | 547 | |
| CS HRD | AFRITAC | 40 | |
| CS HRD | AGSA: Women empowering in excellence in the public sector programme | 300 | |
| CS HRD | Harvard Business School | 165 | |
| CS HRD | International Atomic Energy Agency | 50 | |
| CS HRD | World Bank Group | 412 | |
| Total sponsorships | | 39 737 | 23 976 |
| **Subtotal - received in kind** | | **39 752** | **23 988** |
| **TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED** | | **39 752** | **23 988** |

# ANNEXURE 1I

## STATEMENT OF AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING BALANCE | REVENUE | EXPENDI-TURE | PAID BACK ON/BY 31 MAR | CLOSING BALANCE |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| **Aid assistance received in cash** | | | | | | |
| THE BELG TECHNICAL COOP (BTC) | Belgian contribution towards the research in development finance | 74 | - | - | 74 | - |
| GENERAL BUDGET SUPPORT: IDMS(GA) | To increase access to socio-economic rights and services for all" in line with the Constitution, National Development Plan, Medium Term Strategic Framework and all relevant PFM legislation and policy | 26 087 | - | - | 26 087 | - |
| FMISD | Establish and operationalise a management information system (knowledge management information system for ODA (DCMIS) | (65) | 65 | - | - | - |
| TECHNICAL ASSIST FACILITY(GA) | TAF is a 'facility focused on providing technical assistance to support GoSA in addressing critical policy and operational blockages in service delivery across national, provincial and local government levels, their entities | 265 | 6 515 | 6 515 | 265 | - |
| CONDUCT IND AUDITS ON MSCOA (GA) | to improve compliance with the implementation of the mSCOA Regulations by Regulating the minimum business processes and system specifications underpinning the Regulations. | 1 302 | 5 353 | 3 164 | 1 303 | 2 188 |
| GEN ACC OF DONO: NEW ZEALAND | The activity is a virtual skills development programme/training for elected municipal leaders (Mayors, Members of Mayoral Committees and Councillors) and executives (Municipal managers) of South Africa's 257 municipalities. It seeks to improve their understanding of the principles, policies, | 119 | - | - | 119 | - |

| NAME OF DONOR | PURPOSE | OPENING BALANCE | REVENUE | EXPENDI-TURE | PAID BACK ON/BY 31 MAR | CLOSING BALANCE |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | regulations and legislation specifically underlying supply chain management in the public sector and enhancing public financial management capability. | | | | | |
| FISCAL POLICY TECH ASS FAC (GA) | To develop a fiscal rules framework, to assist and provide inputs into the fiscal policy component of the micro-economic policy review and to assist in the articulation of a revised fiscal strategy | - | 791 | 791 | - | - |
| GBS: SCM & AUDIT REVIEW | The purpose is to improve and strengthen the general budget support aons supply chain management and audit review | - | 265 | 198 | - | 67 |
| 5TH CALL MUNICIPALITIES (GA) | To provide funding for projects that contribute to the National Development Plan which seeks to eliminate poverty, reduce inequality and to build a capable state | - | 34 866 | 34 866 | - | - |
| **TOTAL AID ASSISTANCE RECEIVED** | | **27 782** | **47 855** | **45 535** | **27 847** | **2 255** |

# ANNEXURE 2A

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITES

| NAME OF PUBLIC ENTITY | STATE ENTITY'S PFMA SCHEDULE TYPE (STATE YEAR-END IF NOT 31 MARCH) | NUMBER OF SHARES HELD | | COST OF INVESTMENT R'000 | | NET ASSET VALUE OF INVESTMENT R'000 | | PROFIT/(LOSS) FOR THE YEAR R'000 | | LOSSES GUARANTEED |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025/26 | 2024/25 | 2025/26 | 2024/25 | 2025/26 | 2024/25 | 2025/26 | 2024/25 | Yes/No |
| **National/Provincial Public Entity** | | | | | | | | | | |
| Accounting Standards Board | Schedule 3A | - | - | - | - | 1 539 | 1 522 | 17 | (141) | No |
| Development Bank of Southern Africa | Schedule 2 | - | - | 200 000 | 200 000 | 65 647 099 | 58 518 738 | 7 853 874 | 5 888 458 | No |
| FAIS Ombudsman | Schedule 3A | - | - | - | - | 126 992 | 106 354 | 22 135 | 20 507 | No |
| Financial and Fiscal Commission | Schedule 1 | - | - | - | - | 21 995 | 30 125 | 17 891 | 10 334 | No |
| Financial Intelligence Centre | Schedule 3A | - | - | - | - | 215 513 | 156 880 | 56 310 | (11 849) | No |
| Financial Sector Conduct Authority | Schedule 3A | - | - | - | - | 1 024 | 861 635 | 184 355 | 220 165 | No |
| Government Pensions Administration Agency | Schedule 3A | - | - | - | - | 283 609 | 453 473 | (42 783) | 11 926 | No |
| Government Technical Advisory Centre | Schedule 3A | - | - | - | - | 276 299 | 267 435 | 5 961 | 2 809 | No |
| Independent Regulatory Board for Auditors | Schedule 3A | - | - | - | - | 149 433 | 137 093 | (32 124) | (36 644) | No |
| Land Bank | Schedule 2 | - | - | 14 397 655 | 14 397 655 | 11 189 577 | 11 005 000 | 561 321 | 839 377 | No |
| Office of the Pensions Funds Adjudicator | Schedule 3A | - | - | - | - | 76 111 | 18 158 | 7 508 | 24 569 | No |
| Ombud Council | Schedule 3A | - | - | - | - | 24 519 | 18 557 | 6 104 | 4 529 | No |
| Public Investments Corporations Ltd. | Schedule 3B | - | - | 1 | 1 | 5 220 487 | 4 327 209 | 821 494 | 437 192 | No |
| Sasria SOC Ltd. | Schedule 3B | - | - | 22 000 000 | 22 000 000 | 22 948 776 | 17 675 429 | 4 574 979 | 3 532 889 | No |
| South African Revenue Service | Schedule 3A | - | - | - | - | 6 218 621 | 4 883 876 | 1 818 457 | (307 301) | No |
| **TOTAL** | | | | **36 597 656** | **36 597 656** | **112 401 594** | **98 461 484** | **15 855 499** | **10 636 820** | |

# ANNEXURE 2B

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (continued)

| NAME OF ENTITY | NATURE OF BUSINESS | COST OF INVESTMENT R'000 | | NET ASSET VALUE OF INVESTMENT R'000 | | AMOUNTS OWING TO ENTITIES R'000 | | AMOUNTS OWING BY ENTITIES R'000 | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 |
| **Controlled entities** | | | | | | | | | |
| Accounting Standards Board | Determine Standards of Generally Recognised Accounting Practice | | | 1 539 | 1 522 | 1 | 2 | 74 | 213 |
| Development Bank of Southern Africa | Promote and facilitate funding to mobilise socio-economic development in Southern Africa while promoting efficiency, fairness, transparency and responsibility | 200 000 | 200 000 | 65 647 099 | 58 518 738 | 349 898 | 320 172 | 1 520 294 | 1 280 492 |
| FAIS Ombudsman | Handling complaints I terms of the Financial Advisory and Intermediary Services Act (2002) | | | 126 992 | 106 354 | 20 406 | 11 151 | 396 | 397 |
| Financial and Fiscal Commission | Assist and maintain the fiscal balance between fiscal decentralisation and the unitary state | | | 21 995 | 30 125 | - | 1 297 | 1 429 | 8 529 |
| Financial Intelligence Centre | Assist in the identification of unlawful, activities and combating of money laundering activities, funding of | | | 215 513 | 156 880 | 528 | 369 | 16 968 | 20 152 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| NAME OF ENTITY | NATURE OF BUSINESS | COST OF INVESTMENT R'000 | | NET ASSET VALUE OF INVESTMENT R'000 | | AMOUNTS OWING TO ENTITIES R'000 | | AMOUNTS OWING BY ENTITIES R'000 | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 |
| | terrorism, and related activities. | | | | | | | | |
| Financial Sector Conduct Authority | To oversee the South African non-banking financial services industry in the public interest | | | 1 024 | 861 635 | 120 734 | 243 517 | 99 030 | 239 052 |
| Government Pensions Administration Agency | Government Employees pension fund in terms of the Government Employees Pension (GEP) Act (1996) | | | 283 609 | 453 473 | 66 812 | 105 504 | (549) | 99 390 |
| Government Technical Advisory Centre | Assist organs of state in their capacity for efficient, effective and transparent financial management | | | 276 299 | 267 435 | 99 153 | 41 316 | 3 418 446 | 2 963 305 |
| Independent Regulatory Board for Auditors | Registration of public accountants and auditors and for the regulation of the training of public accountants and auditors | | | 149 433 | 137 093 | 12 985 | 12 020 | 13 921 | 24 276 |
| Land Bank | Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for the historically disadvantaged people | 14 397 655 | 14 397 655 | 11 189 577 | 11 005 000 | 77 235 | 163 477 | 197 526 | 155 559 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| NAME OF ENTITY | NATURE OF BUSINESS | COST OF INVESTMENT R'000 | | NET ASSET VALUE OF INVESTMENT R'000 | | AMOUNTS OWING TO ENTITIES R'000 | | AMOUNTS OWING BY ENTITIES R'000 | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 |
| Office of the Pension Funds Adjudicator | The Adjudicator's office investigates and determines complaints of abuse of power, maladministration, disputes of facts or law and employer dereliction of duty in respect of retirement pension funds | | | 76 111 | 18 158 | 3 478 | 5 052 | 6 295 | 6 522 |
| Ombud Council | Ensuring that financial customers have access to, and are able to use affordable, effective, independent and fair alternative dispute resolution processes for complaints about financial institutions in relation to financial products and services. | | | 24 519 | 18 557 | 7 221 | (824) | 2 698 | 2 437 |
| Public Investment Corporations Ltd | Invests funds on behalf of the South African public sector | 1 | 1 | 5 220 487 | 4 327 209 | 345 145 | 110 509 | 78 625 | 100 074 |
| Sasria SOC Ltd | Special Risk Insurance | 22 000 000 | 22 000 000 | 22 948 776 | 17 675 429 | 474 676 | 1 975 770 | 20 577 | 106 479 |
| South African Revenue Service | Efficient and Effective collection of revenue | | | 6 218 621 | 4 883 876 | 57 783 | 160 | 751 449 | 219 673 |
| **Subtotal** | | **36 597 656** | **36 597 656** | **112 401 594** | **98 461 484** | **1 636 055** | **2 989 492** | **6 127 179** | **5 226 550** |
| **TOTAL** | | **36 597 656** | **36 597 656** | **112 401 594** | **98 461 484** | **1 636 055** | **2 989 492** | **6 127 179** | **5 226 550** |

# ANNEXURE 3A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2026 - LOCAL

| GUARANTOR INSTITUTION | GUARANTEE IN RESPECT OF | ORIGINAL GUARANTEED CAPITAL AMOUNT | OPENING BALANCE 1 APRIL 2025 | GUARANTEES DRAWDOWNS DURING THE YEAR | GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR | REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS | CLOSING BALANCE 31 MARCH 2026 | REVALUATIONS DUE TO INFLATION RATE MOVEMENTS | ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2026 |
|---|---|---|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Development Bank of Southern Africa | Former Bophuthatswana Regional Authority | 126 060 | 55 263 | - | - | - | 55 263 | - | 14 022 |
| South African Reserve Bank | Covid-19 loan guarantee scheme | 12 000 000 | 3 135 336 | - | 2 680 324 | - | 455 012 | - | 14 117 |
| South African Reserve Bank | Bounce Back Scheme | 960 000 | 636 558 | - | 253 545 | - | 383 013 | - | 28 640 |
| South African Reserve Bank | Bounce Back Energy Scheme | 8 000 000 | 643 952 | 414 436 | 206 955 | - | 851 433 | - | 129 052 |
| South African Reserve Bank | Depositors of Habib Overseas Bank | 100 000 | 45 894 | 3 401 | - | - | 49 295 | - | 475 |
| South African Reserve Bank | Ithala SOC Limited | 2 200 000 | | | | | | | |
| **Subtotal** | | **23 386 060** | **4 517 003** | **417 837** | **3 140 824** | **-** | **1 794 016** | **-** | **186 306** |
| **Total** | | **23 386 060** | **4 517 003** | **417 837** | **3 140 824** | **-** | **1 794 016** | **-** | **186 306** |

# ANNEXURE 3A (CONTINUED)

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2026 - FOREIGN

| GUARANTOR INSTITUTION | GUARANTEE IN RESPECT OF | ORIGINAL GUARANTEED CAPITAL AMOUNT | OPENING BALANCE 1 APRIL 2025 | GUARANTEES DRAWDOWNS DURING THE YEAR | GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR | REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS | CLOSING BALANCE 31 MARCH 2026 | REVALUATIONS DUE TO INFLATION RATE MOVEMENTS | ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2026 |
|---|---|---|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Development Bank of Southern Africa | Eurobonds | 8 470 000 | 6 195 840 | 674 852 | - | - | 6 870 693 | - | 10 875 |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 574 167 | 87 158 | - | 29 480 | (261) | 57 417 | - | 290 |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 286 171 | 94 121 | - | 14 693 | (731) | 78 697 | - | 398 |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 246 181 | 121 640 | - | 12 342 | (1,119) | 108 180 | - | 547 |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 251 027 | 62 206 | - | 12 624 | (407) | 49 175 | - | 249 |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 270 711 | 54 792 | - | 13 899 | (286) | 40 607 | - | 205 |
| **Subtotal** | | **10 098 257** | **6 615 758** | **674 852** | **83 039** | **(2 803)** | **7 204 768** | **-** | **12 564** |
| **Total** | | **33 484 317** | **11 132 761** | **1 092 689** | **3 223 863** | **(2 803)** | **8 998 784** | **-** | **198 870** |

# ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2026

| NATURE OF LIABILITY | OPENING BALANCE 1 APRIL 2025 | LIABILITIES INCURRED DURING THE YEAR | LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR | LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER) | CLOSING BALANCE 31 MARCH 2026 |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **Claims against the department** | | | | | |
| An action by Medihelp against the Minister of Finance for payment of the amount of R9,997,256.75 arising out of unlawful deductions made in breach of the agreement with Medihelp and the resolution of the bargaining council. | 9 997 | | | | 9 997 |
| SA Red Cross has instituted action proceedings against the Minister of Finance. It is damages claim emanating from cancellation of a transversal contract with Red Cross. Latter alleges that the cancellation was unlawful and that it resulted in them suffering damages which the Minister and the relevant provincial | 54 006 | | | | 54 006 |
| The plaintiff claims a total amount of R448,467,120.84 which claim is made up as follows; Claim A1: A claim for payment of the sum of R191,732,167.80.00 for license and maintenance fees in terms of the license agreement and the 2008 services agreement; Claim A1.1: A claim for payment of the sum of R240,310,351.44 as a result of the defendant's alleged failure to allow the plaintiff to roll out the services in terms of the services agreement and licenses agreement as agreed in the roll-out plan; Claim A2: A claim for the payment of the total sum of R16,424,601.60 for alleged services in terms of the 2008 service agreement, alternatively 2016 service agreement | 448 467 | | | | 448 467 |
| Application for the joinder of National Treasury in the action proceedings in which an order is sought against the defendants for payment of an amount of R400,000.00 plus interest. | 400 | | | | 400 |
| A claim by the executor of a deceased estate for payment of an amount of R1,078,145.16 in respect to an investment in Retail Bonds. | 1 078 | | (1 078) | | - |
| The applicant is claiming damages against the National Treasury, being the refund of the amount of R350,000.00 that he invested in Retail Bond Savings, together with interest at the rate of 15.5% per annum. The applicant is also claiming from the National Treasury the amount of R200,000.00 as general damages, R150,000.00 as constitutional damages, R250,000.00 as delictual damages R100,000.00 in punitive damages, together with costs. | 1 050 | | | | 1 050 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| NATURE OF LIABILITY | OPENING BALANCE 1 APRIL 2025 | LIABILITIES INCURRED DURING THE YEAR | LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR | LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER) | CLOSING BALANCE 31 MARCH 2026 |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| The applicant claims an amount of R1,291,491.00 as solatium for unfair labour practice in that the employer did not comply with section 15.2(1)(b) of chapter 4 of the SMS handbook to utilise his performance appraisal results to make decisions on promotability assessment. | | 1 291 | | | 1 291 |
| The applicant claims an amount of R1,291,491.00 as solatium for unfair labour practice in that the employer did not assess the employee for the 2022/23 performance year. | | 1 291 | | | 1 291 |
| The applicant claims an amount of R1,291,491.00 as solatium for unfair labour practice in that the employer demoted / reduced the status, powers, role and responsibilities of the applicant in that the applicant was appointed to handle a big department. | | 1 291 | | | 1 291 |
| The applicant claims an amount of R1,291,491.00 as solatium for unfair labour practice, demotion, in that his responsibilities were reduced and his subordinates did not report to him. | | 1 291 | | | 1 291 |
| The applicant claims an amount of R1,291,491.00 as solatium for unfair labour practice in that the employer did not assess the employee for the 2023/24 performance year. | | 1 291 | | | 1 291 |
| The plaintiff claims an amount of R10,000,000.00 for unlawful processing of his personal information in terms of POPIA which resulted in him losing his employment and future earnings. | | 10 000 | | | 10 000 |
| Applicant claims an amount of R1,741,770.00 for Unfair Labour Practice - Promotion for not being shortlisted for the DDG: IGR position. | | 1 742 | | | 1 742 |
| Applicant claims an amount of R1,741,770.00 for Unfair Labour Practice - Promotion for not being shortlisted for the DDG: TFSP position. | | 1 742 | | | 1 742 |
| Applicant claims an amount of R1,741,770.00 for Unfair Labour Practice - Promotion for not being shortlisted for the DDG: PF position. | | 1 742 | | | 1 742 |
| Applicant claims an amount of R1,741,770.00 for Unfair Labour Practice - Promotion for not being shortlisted for the CD: Fiscal Policy position. | | 1 742 | | | 1 742 |
| The applicant claims an amount of R1,291,491.00 as solatium for unfair labour practice in that the employer did not assess the employee for the 2024/25 performance year. | | 1 291 | | | 1 291 |
| Applicant seeks an order for the repayment of forfeited funds in the amounts of $2,768,926.65 and €93,929.10 | | 49 340 | | | 49 340 |
| **Subtotal** | **514 998** | **74 054** | **(1 078)** | **-** | **587 974** |
| | | | | | |

| NATURE OF LIABILITY | OPENING BALANCE 1 APRIL 2025 | LIABILITIES INCURRED DURING THE YEAR | LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR | LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER) | CLOSING BALANCE 31 MARCH 2026 |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **Other** | | | | | |
| Military Pension | 365 065 | 24 347 | (22 370) | | 367 042 |
| Injury on duty | 33 590 | 2 890 | (1 502) | | 34 978 |
| Special Pension | 104 726 | 36 261 | (24 567) | | 116 420 |
| Medical Benefits | 8 231 | 3 702 | (316) | | 11 617 |
| **Subtotal** | **511 612** | **67 200** | **(48 755)** | **-** | **530 057** |
| **TOTAL** | **1 026 610** | **141 254** | **(49 833)** | **-** | **1 118 031** |

# ANNEXURE 4

## CLAIMS RECOVERABLE

| GOVERNMENT ENTITY | CONFIRMED BALANCE OUTSTANDING | | UNCONFIRMED BALANCE OUTSTANDING | | TOTAL | |
|---|---|---|---|---|---|---|
| | 31/03/2026 | 31/03/2025 | 31/03/2026 | 31/03/2025 | 31/03/2026 | 31/03/2025 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| **DEPARTMENTS** | | | | | | |
| National Departments | 852 | 89 | - | 838 | 852 | 927 |
| Foreign government | | - | 1 335 | 1 335 | 1 335 | 1 335 |
| **Sub-total** | **852** | **89** | **1 335** | **2 173** | **2 187** | **2 262** |
| **Total** | **852** | **89** | **1 335** | **2 173** | **2 187** | **2 262** |

# ANNEXURE 6

## INVENTORIES

| INVENTORIES FOR THE YEAR ENDED 31 MARCH 2026 | *Note* | Other Supplies: Smart Metering R'000 | TOTAL R'000 |
|---|---|---|---|
| Opening balance | | - | - |
| Add/(Less): Adjustments to prior year balances | | | - |
| Add: Additions/Purchases – Cash | | 724 071 | 724 071 |
| (Less): Issues | | (724 071) | (724 071) |
| **Closing balance** | | - | - |

| INVENTORIES FOR THE YEAR ENDED 31 MARCH 2025 | *Note* | Other Supplies: Smart Metering R'000 | TOTAL R'000 |
|---|---|---|---|
| Opening balance | | - | - |
| Add/(Less): Adjustments to prior year balances | | | - |
| Add: Additions/Purchases – Cash | | 499 982 | 499 982 |
| (Less): Issues | | (499 982) | (499 982) |
| **Closing balance** | | - | - |

# ANNEXURE 7

## MOVEMENT IN CAPITAL WORK-IN-PROGRESS

## MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

| | OPENING BALANCE | CURRENT YEAR CAPITAL WIP | READY FOR USE (ASSET REGISTER) / CONTRACT TERMINATED | CLOSING BALANCE |
|---|---|---|---|---|
| | | | | |
| **BUILDINGS AND OTHER FIXED STRUCTURES** | - | **28 312** | **-** | **28 312** |
| Other fixed structures | - | 28 312 | - | 28 312 |
| | | | | |
| **COMPUTER SOFTWARE** | **394 241** | **-** | **-** | **394 241** |
| Computer Software | 394 241 | - | - | 394 241 |
| | | | | |
| **TOTAL** | **394 241** | **28 312** | **-** | **422 553** |

**MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025**

| | OPENING BALANCE | PRIOR PERIOD ERRORS | CURRENT YEAR CAPITAL WIP | READY FOR USE (ASSET REGISTER) / CONTRACT TERMINATED | CLOSING BALANCE |
|---|---|---|---|---|---|
| | | | | | |
| **COMPUTER SOFTWARE** | **394 241** | **-** | **-** | **-** | **394 241** |
| Computer Software | 394 241 | - | - | - | 394 241 |
| **TOTAL** | **394 241** | **-** | **-** | **-** | **394 241** |

# ANNEXURE 8A

## INTER-ENTITY ADVANCES PAID (note 11)

| ENTITY | CONFIRMED BALANCE OUTSTANDING | | UNCONFIRMED BALANCE OUTSTANDING | | TOTAL | |
|---|---|---|---|---|---|---|
| | 31/03/2026 | 31/03/2025 | 31/03/2026 | 31/03/2025 | 31/03/2026 | 31/03/2025 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| **NATIONAL DEPARTMENTS** | | | | | | |
| Government Communication and Information System | 144 | 18 | - | - | 144 | 18 |
| GTAC - MFIP | 60 236 | - | | - | 60 236 | - |
| DBSA - Cities Support Programme | 420 | | | | 420 | - |
| DBSA - IDMS | 12 268 | | | | 12 268 | - |
| Pension Administration | 24 730 | 22 104 | | | 24 730 | 22 104 |
| | | | | | | |
| **Subtotal** | **97 798** | **22 122** | **-** | **-** | **97 798** | **22 122** |
| **TOTAL** | **97 798** | **22 122** | **-** | **-** | **97 798** | **22 122** |

# ANNEXURE 8B

## INTER-ENTITY ADVANCES RECEIVED (note 18)

| ENTITY | CONFIRMED BALANCE OUTSTANDING | | UNCONFIRMED BALANCE OUTSTANDING | | TOTAL | |
|---|---|---|---|---|---|---|
| | 31/03/2026 | 31/03/2025 | 31/03/2026 | 31/03/2025 | 31/03/2026 | 31/03/2025 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| **PUBLIC ENTITIES** | | | | | | |
| **Current** | | | | | | |
| FASSET | 7 831 | 7 831 | - | - | 7 831 | 7 831 |
| PSETA | 186 | 186 | - | - | 186 | 186 |
| TETA | 2 252 | 2 288 | - | - | 2 252 | 2 288 |
| SSA REVENUE | - | 3 769 | - | - | - | 3 769 |
| **Subtotal** | **10 269** | **14 074** | **-** | **-** | **10 269** | **14 074** |
| **TOTAL** | **10 269** | **14 074** | **-** | **-** | **10 269** | **14 074** |
| | | | | | | |

# ANNEXURE 12

## ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 11.1 TO 11.4)

| Name of Entity | Sector of the entity | Description of goods, services, and/or capital assets paid for | Classifi-cation categories | Contract reference number | Total contract value | Contract commence-ment date | Contract end date | Frequency of the pre-payment or advance | Balance out-standing as at 31 March 2025 | Total amount prepaid / advanced in the current year | Less: goods, services or capital assets received in the current year | Add / (Less): Other | Balance outstanding as at 31 March 2026 | Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | R'000 | R'000 | R'000 | R'000 | R'000 | |
| **Prepayments** | | | | | | | | | | | | | | |
| Nedbank Amex(G20) | G20 | Travel and subsistence | Goods and services | N/A | N/A | N/A | N/A | Annually | 20 238 | - | (20 238) | - | - | G20 Travel and Subsistence |
| ICT works | ICT | Computer Services | Goods and services | N/A | N/A | N/A | N/A | Once off | 15 526 | - | - | - | 15 526 | The case has been handed over to legal |
| GPAA | Pension Administration | Pension Administration | Other | N/A | N/A | N/A | N/A | Annually | 3 517 | 375 | - | - | 3 892 | - |
| | | | | | | | | | | | | | | |
| **TOTAL PREPAYMENTS** | | | | | | | | | **39 281** | **375** | **(20 238)** | **-** | **19 418** | |
| **Advances** | | | | | | | | | | | | | | |
| GPAA | Pension Administration | Pension-administration | Public entities | N/A | N/A | N/A | N/A | Annually | 22 104 | 1 788 723 | (1 786 097) | - | 24 730 | |
| GCIS | Communi-cations | Communications | National departments | N/A | N/A | N/A | N/A | Annually | 18 | 144 | (18) | - | 144 | |
| DIRCO | International Relations | International Relations | National departments | N/A | N/A | N/A | N/A | Annually | - | 413 | (413) | - | - | |
| Travel and Subsistence-National Treasury | National Treasury | Travel | National departments | N/A | N/A | N/A | N/A | Annually | 393 | 80 | (393) | - | 80 | |
| GTAC - MFIP | Local Government | Consutants-business and advisory: | National departments | N/A | N/A | N/A | N/A | Annually | 94 415 | 145 672 | (179 851) | - | 60 236 | |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| Name of Entity | Sector of the entity | Description of goods, services, and/or capital assets paid for | Classifi-cation categories | Contract reference number | Total contract value | Contract commence-ment date | Contract end date | Frequency of the pre-payment or advance | Balance out-standing as at 31 March 2025 | Total amount prepaid / advanced in the current year | Less: goods, services or capital assets received in the current year | Add / (Less): Other | Balance outstanding as at 31 March 2026 | Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | R'000 | R'000 | R'000 | R'000 | R'000 | |
| | Finance Management | research and advisory services | | | | | | | | | | | | |
| GTAC - ECFF | Employment Creation Facility | Consultants-business and advisory: research and advisory services | Public entities | N/A | 9 000 000 | 01-Apr-20 | N/A | Annually | 6 882 | - | - | - | 6 882 | |
| GTAC - IDIP | Infrastructure Delivery Improvement | Consultants-business and advisory: research and advisory services | Other institutions | PN447 | 315 000 | 01-Feb-10 | 31-Mar-13 | Annually | 4 452 | - | - | - | 4 452 | |
| DBSA - NT Project prep fund | Financial Institution | Public Corporations &Priv Ent | Other institutions | N/A | 400 000 | 25-Feb-20 | N/A | Annually | 245 351 | - | (12 748) | 18,048 | 250 652 | |
| DBSA - NT Social Housing Projects | Financial Institution | Public Corporations &Priv Ent | Other institutions | N/A | N/A | N/A | N/A | Annually | 347 720 | - | (628) | 14,840 | 361 932 | |
| DBSA - CSP | Financial Institution | Consultants-business and advisory: research and advisory services | Provincial departments | N/A | 40 000 | 01-Apr-14 | 31-Mar-24 | Annually | 13 855 | 25 800 | (38 468) | 414 | 1 601 | |
| DBSA- IDMS | Financial Institution | Consultants-business and advisory: research and advisory services | Provincial departments | N/A | 132 855 | 14-Dec-21 | 13-Dec-24 | Annually | 5 294 | 9 015 | (1 978) | - | 12 331 | |
| **TOTAL ADVANCES** | | | | | | | | | **740 484** | **1 969 847** | **(2 020 594)** | **33,302** | **723 040** | |
| **TOTAL PREPAYMENTS AND ADVANCES** | | | | | | | | | **779 765** | **1 970 222** | **(2 040 832)** | **33,302** | **742 458** | |

DBSA – IDMS: Current-year advances were made on 31 March 2026. On the entity's side, the amount will not reflect as at 31 March 2026, as the funds had not yet cleared by year-end.

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

2025/26

National Treasury

# ANNUAL REPORT

Vote 8

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5944 | **www.treasury.gov.za**

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