2024/25

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

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GENERAL INFORMATION

DEPARTMENT GENERAL INFORMATION 01

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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
DPSA	Department of Public Service and Administration
DTIC	Department of Trade, Industry and Competition
DWS	Department of Water and Sanitation

LIST OF ABBREVIATIONS/ ACRONYMS 02

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
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

02 LIST OF ABBREVIATIONS/ ACRONYMS

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
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

LIST OF ABBREVIATIONS/ ACRONYMS 02

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
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

02 LIST OF ABBREVIATIONS/ ACRONYMS

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
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

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PART A
GENERAL INFORMATION

FOREWORD **BY THE MINISTER**

FOREWORD BY THE MINISTER 03

The South African economy continues to make strides in a difficult environment. Despite persistently low economic growth, high unemployment and structural constraints, government has maintained its stance on protecting critical services, supporting economic growth through reforms and public investment, and stabilising public debt.

Tension is growing in the global economy and policy is uncertain. South Africa is dependent on global trade and financial inflow, exposing it to global economic developments. Real GDP growth for 2024 reached 0.6 per cent – the same level as 2023 – reflecting the difficult economic environment.

Government's economic policy remains focused on supporting growth, boosting employment and building the economy's resilience to shocks. Its fiscal strategy to strengthen public finances remains on track. The strategy balances stabilising debt, expanding infrastructure investment and supporting the social wage. Government is at the same time committed to removing impediments to economic growth to achieve macro-fiscal stability. Operation Vulindlela has eased a range of bottlenecks and unlocked new investment.

Over the planning period outlined in government's 2024-2029 medium-term development plan (MTDP), the National Treasury will provide leadership to the economic and social cluster, as well as government more generally, to ensure the effective and efficient implementation of a coherent economic policy that will create jobs, raise real GDP per capita for South African citizens and ease the cost of living.

ECONOMIC POLICY

The first phase of Operation Vulindlela supported economic growth by alleviating power cuts, improving logistics performance, reducing data costs, enhancing water supply, attracting necessary skills and supporting tourism. These reforms had significant benefits for investment, as reflected in the RMB/BER business confidence index, which in the fourth quarter of 2024 reached its highest level since mid-2021. Progress over the past year can be seen in Transnet's improvement in freight rail volumes and the recovery in electricity generation capacity.

03 FOREWORD BY THE MINISTER

FISCAL POLICY

Government continued to maintain its fiscal strategy throughout the period under review. The fiscal strategy, in combination with the economic strategy, fosters an ecosystem that provides higher economic growth and increased job creation. During the fiscal year under review, government was on track for main budget revenue to exceed non-interest expenditure, achieving a primary balance, allowing it to stabilise debt over time. For the period under review, debt-service costs accounted for 22 cents of each rand of main budget revenue. The National Treasury aims to reduce these costs to create fiscal buffers that will be critical for national development. Debt is projected to stabilise in 2025/26.

As public finances stabilise and fiscal targets are met, government is exploring the implementation of strong fiscal policy anchors that will help prevent a recurrence of the cycle of high spending, high deficits and high debt. Although a primary budget surplus adequately sufficient to stabilise debt has been adopted as the anchor, the obligation to keep public debt stable is not explicit in South Africa's legal and regulatory framework. In this regard, government is releasing, along with the 2025 Budget, a discussion document presenting options for such an anchor.

FINANCIAL SECTOR POLICY

In February 2023, the Financial Action Task Force (FATF) put South Africa on its grey list because of deficiencies in technical compliance and the effectiveness of the country's system to combat money laundering and the financing of terrorism. In response, government developed a strategy to build a financial system that is less vulnerable to abuse and in which abuses are effectively prosecuted. This involves both legislative and regulatory changes, as well as improvements in the implementation and application of these laws and regulations. At its October 2024 plenary, the FATF approved the upgrade of South Africa's compliance. South Africa now complies or largely complies with 37 of the 40 FATF recommendations, while one recommendation was deemed to be inapplicable. South Africa is deemed to have addressed or largely addressed 20 of the 22 items in its action plan, leaving two items to be addressed in the next reporting period, which runs from March 2025 to June 2025. This would enable South Africa to be considered for removal from the grey list in October 2025.

The National Financial Ombud Scheme was established and began operating on 1 March 2024 after being recognised by the Ombud Council. This reform will create a simpler, more accessible, comprehensive, efficient and effective ombud system for the financial sector.

STRATEGIC CHOICES IN A CHALLENGING ENVIRONMENT

The National Treasury is undertaking initiatives to catalyse greater private sector participation and improve spending and delivery outcomes. These include introducing dedicated financing instruments to source funding from international financial institutions, development finance institutions and others to reduce the cost of borrowing, access technical assistance and improve accountability. As outlined in the 2024 Medium-term Budget Policy Statement (MTBPS), the National Treasury is piloting new models of funding and financing infrastructure, which are at different stages of development. These include the infrastructure funding platform, a credit guarantee vehicle and private sector funding for energy transmission infrastructure.

The review of the institutional arrangements to fast-track project planning and financial structuring to enable early financial closure and the delivery of projects is at an advanced stage. In the 2024 MTBPS, the National Treasury indicated its intention to combine project preparation support, transaction advice for public-private partnership (PPP) projects and ringfenced financing from government borrowing into a single structure. This unified approach will bring together the PPP office and Capital Projects Appraisal unit in the Government Technical Advisory Centre (GTAC), and the capabilities in the Development Bank of Southern Africa's (DBSA) Infrastructure Fund. The memorandum of agreement that will govern their operations is expected to be signed in 2025, with the consolidation of these functions set to commence in the current year.

The National Treasury is advancing the implementation of recommendations from the comprehensive review of the PPP regulatory framework across the three spheres of government. Recommendations are being implemented to improve the PPP policy, legal and regulatory frameworks; strengthen institutional arrangements; and improve the reporting of fiscal risks and contingent liabilities. These changes are expected to result in higher confidence and investment in PPPs, as well as greater private sector participation.

03 FOREWORD BY THE MINISTER

STRENGTHENING FINANCIAL MANAGEMENT IN LOCAL GOVERNMENT

As part of a five-year programme of action to improve local governance, the National Treasury is leading a comprehensive review of the local government fiscal framework. This review was endorsed by the Budget Forum in October 2024 and is aimed at refining the funding model to ensure it is equitable, efficient and responsive to the diverse needs of municipalities. Key reforms include revising the local government equitable share formula to better target poor households and account for cost differences across municipalities. In addition, the National Treasury is consulting stakeholders as part of developing norms and standards for municipal electricity surcharges to help reform municipal revenue collection.

GLOBAL COOPERATION AND PARTICIPATION

South Africa assumed the presidency of the G20 in December 2024 at a time of multifaceted global crises. The overall vision of South Africa's G20 presidency is to enhance solidarity through unified effort and cooperation among nations and promote equality through the fair treatment and advancement of all people. The National Treasury and the South African Reserve Bank (SARB), with support from the Financial Sector Conduct Authority (FSCA), will lead the finance track during South Africa's presidency.

In conclusion, I would like to thank the Deputy Ministers of Finance for their support and advice throughout the year. I also thank the management of the various entities that report to the National Treasury, including the commissioner and staff of the South African Revenue Service (SARS). Finally, I wish to express my appreciation to the accounting officer responsible for the department's affairs in 2024/25, Dr Duncan Pieterse, the Director-General. The strides made in government are through the hard work and dedication of its employees who work for the betterment of everyone in South Africa.

ENOCH GODONGWANA
Minister of Finance
Date: 29 August 2025

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GENERAL INFORMATION

REPORT OF THE **DEPUTY MINISTER**

REPORT OF THE DEPUTY MINISTER 04

The National Treasury continues to abide by its mandate set out in the Constitution of South Africa, managing public finances in a transparent and accountable manner. While operating in an increasingly uncertain economic environment, the department works to promote economic growth while also stabilising public finances and protecting our society's most vulnerable. Operation Vulindlela and other economic reforms are beginning to show substantive progress, enabling an environment that attracts further investment and creates the jobs the country needs.

The first phase of Operation Vulindlela has shown signs of success in sectors such as energy, logistics, IT, water and tourism.

- In logistics, Transnet's interim results showed a 3.2 per cent improvement in freight rail volumes for the first six months of 2024/25 relative to the previous financial year.
- Electricity generation capacity continues to improve. Between April and December 2024, energy availability averaged 62.4 per cent – 7.1 per cent higher than the same period in 2023.
- The Electricity Regulation Amendment Act (2024), which will establish a competitive market for long-term energy security, took effect on 1 January 2025.
- Efforts are under way to introduce an independent economic regulator to ensure fair pricing and the sustainable management of water services.

Phase 2 reforms are expected to support improved medium-term growth. The new set of initiatives are aimed at reversing local government decline, tackling spatial inequality and advancing digital government services to improve large-scale service delivery.

The preliminary budget deficit for 2024/25 was 4.5 per cent of GDP compared to 4.3 per cent estimated in the 2024 Budget. This was mainly due to economic underperformance and lower than expected revenue collection. The preliminary revenue outcome for 2024/25 is R1.86 trillion –R7.8 billion short of 2024 Budget estimates. Main budget non-interest expenditure increased by a net R4.5 billion in 2024/25 compared with projections. This was as a result of various expenditure commitments, including troop deployment in the Democratic Republic of Congo, the repayment of debt for the Gauteng freeway improvement project and an increase in the *COVID-19 social relief of distress grant*, among other things. Debt-service costs amounted to R335.6 billion in 2024/25, reaching 5.2 per cent of GDP – an increase of 0.1 per cent from 2024 Budget estimates. Real GDP growth for the period under review was revised down to 0.6 per cent from an estimated 1.4 per cent in the 2024 Budget. These figures show the difficulty of the economic environment and the need to foster an ecosystem that will spur higher growth.

04 REPORT OF THE DEPUTY MINISTER

The National Treasury has ensured that government spending continues to be highly redistributive. The majority of the budget was allocated to the social wage – spending on health, education, social protection, community development and employment programmes – accounting for 61 per cent of non-interest expenditure and 51 per cent of consolidated spending. About 64 per cent of the total budget was appropriated to the departments of social development, cooperative governance, higher education and training and transport, and the South African Police Service (SAPS). These funds were mainly used for social grants, free basic services, post-school education, the maintenance and expansion of the road transport network, and crime prevention and investigations.

The National Treasury and SARB, with the support of the FSCA, led the finance track during South Africa's G20 presidency. The sustainable finance working group focuses on strengthening sustainable global finance architecture, scaling up financing for climate adaptation and a just energy transition, and unlocking the financing potential of carbon markets.

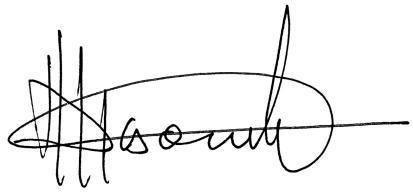
In the last quarter of 2024/25, the FSCA ran a pilot with key financial institutions to encourage greater adoption of South Africa's green finance taxonomy, with the results expected to be released later in 2025. The FSCA is also expected to release further information on climate disclosure requirements, building on the guidance note for banks and insurance companies issued by the Prudential Authority in 2024 and expanding it to a broader range of financial institutions.

The National Treasury is working hard to build a capable state, focusing on accountability arrangements, strategic goals, government systems and state organisation. Government's macroeconomic policy, fiscal strategy and institutional reforms are intended to improve the delivery of infrastructure, provide additional resources to support SARS, and introduce an early retirement initiative to rationalise and rejuvenate the public service.

Government continues to make strides towards embedding long-term fiscal stability. The National Treasury published the fiscal anchors discussion document in March 2025, which outlines the options and trade-offs for a longer-term fiscal anchor to strengthen the sustainability of public finance practices. The National Treasury continues to invite views and debate on the range of reforms necessary to support sustainable public finances and economic development.

REPORT OF THE DEPUTY MINISTER 04

In conclusion, I would like to convey my appreciation to the Director-General of the National Treasury and its staff for their dedication to the public service and the progress they have made during the year under review. I also thank the Minister of Finance for his guidance and leadership throughout the year.



DR DAVID MASONDO
Deputy Minister of Finance
Date: 29 August 2025

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REPORT OF THE **DEPUTY MINISTER**

REPORT OF THE DEPUTY MINISTER 05

The National Treasury demonstrated its strength and resilience in 2024/25. It was a year of transition, with the formation of the Government of National Unity, and a year of hard choices, as we steered the economy through shifting global conditions and mounting domestic pressures.

Globally, rising protectionism and tariffs have reshaped trade. Domestically, the persistence of energy constraints, logistics bottlenecks, the poor state of many municipalities and regulatory hurdles continue to constrain our growth potential. In this difficult climate, the National Treasury has remained firm in its mandate: to protect the country's finances, design systems that improve fiscal accountability, and design good policy that produces reform.

Over the past year, strides were made in structural reforms through Operation Vulindlela in energy, logistics and digital infrastructure. These reforms will open the way for stronger growth and investment, by shifting away from an ageing public monopoly model to a competitive market in critical areas of the economy such as energy and logistics. Treasury has also acted to strengthen municipal finances by holding local government to account on credible budgeting and commencing trading-services reform in major cities. Fiscal consolidation remains on track, supported by disciplined expenditure management and a sharper focus on running a growing primary surplus.

The lesson of the past year is clear: when there is discipline, reform and honest governance, South Africa can move forward. The foundations now in place give us the opportunity to build a stronger, more sustainable and growing economy that works for all.

South Africa's future is challenging, but it is also full of possibility. With clear rules, accountable institutions and a focus on delivery, we can overcome obstacles and create shared prosperity.

I thank the officials of the National Treasury for their professionalism and commitment in serving the people of South Africa.

ASHOR SARUPEN
Deputy Minister of Finance
Date: 29 August 2025

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GENERAL INFORMATION

REPORT OF THE **ACCOUNTING OFFICER**

6.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

The year under review marked 30 years of democracy as well as the final year of implementing government's priorities set by the fifth administration. It also marked the National Treasury's adoption of an ambitious programme of work articulating the commitments the department made in realising its mandate and to which it is being held accountable in this annual report. To this end, the department achieved 86 per cent of its annual performance plan indicators and maintained an unqualified audit with no material findings for 2024/25.

This performance was achieved while navigating shifting national landscapes and volatile international arenas. Growth remains well below the rates needed to significantly reduce unemployment or address pervasive poverty and inequality. GDP growth has slowed substantially and remained subdued following an initial strong recovery from the COVID-19 pandemic. GDP growth in 2024 came in lower than the 1.1 per cent forecast in the 2024 Medium-term Budget Policy Statement (MTBPS), at just 0.6 per cent, marginally down from 0.7 per cent growth in 2023.

The global economic environment during 2024/25 was characterised by both easing global inflation and persistent downside risks. Inflationary pressures have moderated across most major economies, prompting several central banks – including the US Federal Reserve and the European Central Bank – to begin cautiously reducing interest rates. This shift has slightly improved global liquidity conditions and supported capital flows into select emerging markets. However, broader recovery remains uneven and vulnerable to multiple shocks.

Geopolitical instability continues to pose significant risks to the global outlook. Commodity prices – especially for energy and key metals – have been volatile, driven by supply-side disruptions and uncertain demand prospects. Domestically, South Africa's economy continues to struggle with deep-seated structural constraints. This includes unreliable and costly energy supply, operational inefficiencies in network industries, administrative delays, regulatory bottlenecks and ongoing governance concerns.

After expanding by 3.9 per cent in 2023, gross fixed capital formation contracted by 3.7 per cent in 2024. Private sector investment, which accounts for more than 70 per cent of total fixed investment, has been adversely affected by elevated operating costs, policy uncertainty and infrastructure bottlenecks. Public sector investment has underperformed due to chronic underspending relative to capital budgets, delays in project implementation and capacity constraints at the municipal level.

06 REPORT OF THE ACCOUNTING OFFICER

While domestic inflation has continued to ease – reflecting relatively lower food and fuel prices – upside risks persist, particularly from administered prices, global oil price volatility and potential currency weakness.

On the fiscal front, government revenue performance has remained constrained by modest economic growth and challenges in tax compliance. Although efforts to contain non-priority spending have continued, rising debt-service costs and pressures to increase social spending have limited fiscal flexibility. South Africa's sovereign risk premium has remained elevated, reflecting concerns about debt sustainability, governance and the pace of reform.

Medium-term economic prospects are cautiously optimistic, underpinned by ongoing reforms in logistics, energy and infrastructure. However, risks remain. Volatile global commodity prices – amplified by ongoing geopolitical tensions – continue to challenge South Africa's export-dependent sectors. Weather-related disruptions pose threats to food security and inflation stability. Furthermore, the emergence of more restrictive global trade policies, including potential tariff escalations, could limit market access and affect export performance. Domestically, delays in the implementation of critical structural reforms risk stalling momentum, underscoring the importance of sustained policy execution and resilience-building measures to support long-term economic stability.

The labour market continues to exhibit severe structural challenges, with unemployment remaining higher than 30 per cent over the duration of the year under review, reflecting the low level of economic growth. Nonetheless, public employment programmes such as the expanded public works programme (EPWP) and the presidential youth employment initiative have contributed to marginal improvements.

On the back of the COVID-19 pandemic's significant strain on public resources, the combination of escalating global monetary policy rates and inflationary pressures resulted in a rise in average weighted funding costs. Government debt as a percentage of GDP rose to 76.9 per cent in 2024/25 and is forecast to continue to rise marginally before beginning to decline, while debt service costs rose to 21.3 per cent of revenue in 2024/25.

Government's commitment to fiscal sustainability and economic resilience is unwavering. A notable milestone was the achievement of a primary budget surplus in 2023/24 – the first in 15 years – highlighting the success of ongoing fiscal consolidation efforts. This achievement was repeated in 2024/25.

Social protection remains a cornerstone of government spending, with more than 60% of consolidated non-interest expenditure allocated to the social wage. This reflects the administration's commitment to reducing inequality, supporting vulnerable populations and fostering social stability.

Infrastructure investment has been another key focus, with payments for capital assets exceeding R116 billion in 2024/25. The growth in this line item underscores government's determination to drive economic growth, create jobs and modernise public infrastructure, positioning the country for sustained long-term development.

Through its work, the National Treasury continues to fulfil government's commitment to economic growth and development. This is built on four key pillars: provide a stable macroeconomic framework to support growth, implement reforms to enhance economic competitiveness, strengthen the state's capability to deliver essential services, and deliver quality infrastructure to support economic growth.

The department continued to deliver on its programme of conducting relevant research to inform policy-making. This included the development and monitoring of the monetary policy framework in support of competitiveness, price stability and economic growth. Employment, equality and transformation policies were analysed and monitored as part of overseeing and implementing South Africa's macroeconomic policy framework, macroeconomic trends and the policy framework to support sustainable economic growth, including fiscal policy. Research and analytical support were provided to develop industrial, competition and regulation, as well as to address energy and just transition actions.

Ongoing technical support was provided to Operation Vulindlela for implementing structural reforms in various sectors such as electricity, telecommunications and logistics. Support continued to be provided to the collaborative Southern Africa – Towards Inclusive Economic Development programme, along with the South African Revenue Service (SARS) and the United Nations University World Institute for Development Economics Research, particularly in the successful management of its administrative data lab.

Quarterly economic and revenue forecasts were produced with associated scenarios. These highlighted the primary risks to the baseline macroeconomic forecast. Emphasis continues to be placed on capacity building for forecasting and economic policy impact analysis.

During the period under review, processes announced by the Minister of Finance in the 2024 Budget to implement tax proposals were carried out. The Global Minimum Tax Bill, along with various other tax amendments, was tabled and adopted by Parliament and enacted into law after consultation with the Standing and Select Committees on Finance. This piece of legislation is subject to peer review at the Organisation for Economic Cooperation and Development (OECD). Discussion papers were published with proposed reforms to alcohol taxation, the taxation of collective investment schemes and the second phase of the carbon tax. South Africa's relations with the OECD continue to be carried out through the enhanced engagement method. This aims to augment the participation of major emerging markets and developing economies in the daily work of the OECD.

06 REPORT OF THE ACCOUNTING OFFICER

Aligned with South Africa's G20 theme of "solidarity, equality and sustainability", the financial sector development team, as part of the global partnership for financial inclusion working group, is prioritising transitioning people from access to financial products and services to better usage. This priority arises out of the persistent divide that, despite progress, 1.5 billion people still don't have bank accounts mainly in the global South. South Africa hosted two G20 deputies' meetings, a G20 finance ministers and central bank governors meeting, and a side event on domestic resource mobilisation.

The revenue analysis working committee provided for revised tax revenue forecasts in the 2024 MTBPS and the 2025 Budget. For the 2025 Budget, estimates for tax expenditure were updated and numerous technical tax amendments were proposed to be legislated in 2025/26. At the time of the March 2025 Budget Review, revenue for 2024/25 was expected to fall short of estimates in the 2024 Budget by R16.7 billion in line with weaker than expected economic outcomes.

Following the publication of the policy position statement, titled "A Simpler, Stronger Financial Sector Ombud System", the Ombud Council granted recognition, effective from 1 March 2024, to the National Financial Ombud Scheme as an industry ombud scheme. This is an amalgamation of four industry schemes: the Credit Ombud Association, the Ombudsman for Banking Services, the Ombudsman for Long-term Insurance and the Ombudsman for Short-term Insurance.

Legislative amendments to give effect to the two-pot retirement system, commencing 1 September 2024, were finalised and enacted into law to allow retirement fund members to make partial withdrawals before retirement while preserving a portion that can be accessed only at retirement.

Work continued with government stakeholders to strengthen the country's anti-money laundering system. Following South Africa's grey-listing by the Financial Action Task Force (FATF) in February 2023, the country was deemed to have addressed or largely addressed 20 of the 22 action items in its action plan by the end of this reporting period, leaving two items to be addressed by June 2025 to enable delisting.

Efforts continued with the South African Reserve Bank (SARB) and commercial banks to implement the energy bounce-back loan guarantee scheme, an initiative meant to support the energy resilience of small businesses and households.

The National Treasury helped SARB to establish the Corporation for Deposit Insurance, which became operational on 1 April 2024 and is responsible for managing the country's Deposit Insurance Fund.

The drafting of the Financial Markets Amendment Bill continued with the SARB, the Prudential Authority and the Financial Sector Conduct Authority (FSCA). The draft bill proposes revisions to the Financial Markets Act (2012) and incorporates key recommendations from the 2020 National Treasury policy paper titled, "Building Competitive Financial Markets for Innovation and Growth: A Work Programme for Structural Reforms to South Africa's Financial Markets."

Work continued with the SARB on the development of a new capital flows management framework. This aims to create an enabling environment to make it easier for foreign investors to invest in South Africa, and support South Africa's growth as an investment and financial hub for Africa. When they have been finalised, new capital flow management regulations will be made in terms of the Currency and Exchange Control Act (1933).

During this reporting period, two fiscal frameworks and two fiscal policy chapters were published for the 2024 MTBPS and the 2025 Budget. Key outputs for this period included the fiscal risks statement and technical annexure published in the 2024 MTBPS, and the fiscal anchors discussion document published as part of the 2025 Budget process with the 2025 Budget Overview.

The MTBPS and Budget Review provided updated insights into infrastructure spending. Treasury approvals and Treasury views and recommendations for public-private partnerships (PPPs) across national, provincial and municipal spheres were processed. Notable PPP projects approved to proceed to procurement include the National Archives and the Council for Scientific and Industrial Research (CSIR) accommodation precinct, and the successful conclusion of the procurement phase and signing of an agreement with a new PPP partner for phase 2 of the Inkosi Albert Luthuli Central Hospital project. Amendments were drafted to National Treasury Regulation 16 and the Municipal PPP Regulation 309, which govern PPPs. To support their implementation, guidelines were developed for fiscal commitments and contingent liabilities, and unsolicited bid proposal requirements.

There have been eight Budget Facility for Infrastructure (BFI) windows since its inception, with R52.9 billion allocated in windows 6, 7 and 8. As part of the current reforms, the BFI is being reconfigured to run multiple windows, with project submissions evaluated quarterly rather than annually. Although the same appraisal methodology will be used, financing decisions will be separated from the budget process to determine the most effective financing mechanism for each project to improve efficiency and the allocation of fiscal and project risk. Projects approved for funding in the eighth window included phases 2D and 2F of the Olifants management model programme for bulk distribution water infrastructure; the construction of a new 224-bed hospital, the refurbishment of the psychiatric ward and mortuary and construction of facilities for allied services such as audiology, physiotherapy and occupational therapy at Siloam District Hospital; and the City of Johannesburg alternative wastewater treatment technology PPP to convert 500 000 tonnes of solid waste into energy per year.

Since 2021, the Infrastructure Fund has helped package and finance 26 blended finance projects and programmes with a capital value of R101.6 billion across the water and sanitation, human settlements, student accommodation, transportation, health and municipal energy sectors.

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Key milestones were reached through piloting gender-responsive budgeting and climate budget tagging. A budget statement was published for the gender-responsive budgeting pilot. Interactions with the International Budget Partnership, the Global Initiative on Fiscal Transparency and civil society, among others, continued to increase transparency, public participation and an understanding of budgeting processes and information.

South Africa received a total of R2.8 billion in official development assistance (ODA) in 2024/25, reflecting a significant increase from R1.7 billion in 2023/24. This growth was primarily driven by substantial contributions from non-traditional development partners, notably the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), which alone contributed R2.2 billion in 2024/25. Excluding support from the Global Fund, ODA from traditional partners – including the European Union, France, Germany, Switzerland and the United States – rose from R204.5 million in 2023/24 to R621.5 million in 2024/25 largely due to scheduled tranche payments and milestone-based reimbursement grants.

However, it is anticipated that ODA in the form of grants and donations from traditional partners is expected to decline. This trend will primarily be driven by the US' withdrawal of ODA to South Africa and a broader and growing shift among development partners towards concessional loans and in-kind technical assistance. This trend will likely be offset by renewed interest in development cooperation from emerging partners in the Nordic and Asian regions.

South Africa's traditional partners, such as Germany, the EU, France and Switzerland, are expected to continue support, albeit at a reduced scale and with a stronger emphasis on in-kind technical assistance and concessional loans. In 2024/25, South Africa concluded several new agreements with the EU and Germany, as well as the Netherlands, which has committed R3.1 billion over three years in indirect grant funding, with a focus on green energy, the just energy transition and public infrastructure.

As part of the 2024 MTBPS, government prioritised key services by allocating additional funding to address growing compensation pressures and capacity constraints, as well as for wage increases. A total of R121.9 billion over the 2024 MTEF period (R46.5 billion in 2024/25) was allocated for wage increases and wage pressures. This funding also includes the reversal of the reductions implemented against the wage bill during the 2023 MTBPS in labour-intensive departments such as education, health, police, defence, correctional services, justice and home affairs. The 2024 Division of Revenue Bill was tabled in February 2024 and included net additions of R17.1 billion over the MTEF period for provinces to fund costs associated with the 2023 public service wage agreement. A net reduction of R20.6 billion over the medium term was proposed in the 2023 MTBPS.

A multiyear wage agreement was reached in the Public Service Coordinating Bargaining Council for 2025/26 to 2027/28. The National Treasury has estimated the additional costs, not included in the compensation baselines as a result of the 2025 wage agreement, at R23.4 billion, which includes carry-through costs in subsequent financial years.

The amalgamation of the Temporary Employees Pension Fund and Associated Institutions Pension Fund was successfully concluded in partnership with the Government Pensions Administration Agency (GPAA), with an effective implementation date of 1 April 2025 approved by the Minister of Finance.

The National Treasury 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 financial and budgetary aspects of public policy and spending proposals. In this reporting period, the Department of Planning, Monitoring and Evaluation was supported in relation to the national macro-organisation of government. Engagements were held with the Department of International Relations and Cooperation on an appropriate foreign currency-based funding model for budgeting for the requirements of the department's foreign missions. Comments were provided to the Department of Public Works and Infrastructure on the business case for the establishment of Infrastructure South Africa as a public entity.

As part of the provision of policy support and advice to the Department of Justice and Constitutional Development and related public entities, the Minister of Finance concurred with draft regulations for a housing assistance programme for Truth and Reconciliation Commission (TRC) victims and beneficiaries, and draft Land Court regulations. The department provided continued support and advice in the established Judicial Inspectorate for Correctional Services as a government component. The Department of Defence was assisted in securing an additional allocation through section 16(1) of the Public Finance Management Act (1999) (PFMA).

The National Treasury assisted and advised the basic education sector on developing a results-based funding initiative to be piloted in the early childhood development function. The Department of Higer Education and Training was advised on possible student funding initiatives to cater for the "missing middle", as well as on addressing the slow rollout of infrastructure projects in the post-school sector. The Department of Employment and Labour was advised on the fifth phase of the presidential youth employment intervention and on planning for its further phases, and on the unbundling of the Unemployment Insurance Fund and the Compensation Fund from the department and the department's restructuring.

The National Treasury supported the BFI in its assessment of health infrastructure proposals, which led to additional funding for Siloam Hospital in Limpopo and Tygerberg Hospital in Western Cape, and led the work of the G20 joint finance and health task force as part of South Africa's G20 presidency. The department participated in a range of policy initiatives, such as the development of a medico-legal claims strategy, the ward-based primary health care outreach teams policy review committee, and the technical working group on the national sustainability framework for HIV and TB. Options were developed for what might replace the COVID-19 social relief of distress grant and the Department of Social Development and the Technical Committee on the Budget were engaged.

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Several policies and strategies proposed by the Department of Social Development were reviewed, including on basic income support, comprehensive social security reform and social protection for atypical workers; the Victim Support Services Bill, the national community development policy, the policy on the prevention of and treatment for substance use disorders, and the policy for integration of children's grants to government services. Work continued with the Department of Social Development to analyse funding mechanisms and strategies for the non-profit sector, including modalities for service provision. Analysis was provided of the National Youth Development Agency's national youth service programme and other youth support initiatives driven by the Department of Women, Youth and Persons with Disabilities.

The National Treasury convened and coordinated the Agriculture Coordination Forum 10X10 and assisted the Department of Agriculture, Land Reform and Rural Development with reprioritising funds between programmes to address the funding shortfall for the agriculture extension services programme. Comments on the industrial waste tyre management plan were provided, as well as the request to the Minister of Finance for grant concurrence on the extended producer responsibility scheme fee applications for paper and packaging, lighting and electrical, and electronic waste streams. Assistance was provided to the second phase of the climate budget tagging process, which is a key reform in the budget process, as well as participating in the Oceans Economy working group.

Assistance was provided to finalise the merger of the Small Enterprise Development Agency (SEDA), the Small Enterprise Finance Agency (SEFA) and the Cooperative Banks Development Agency (CBDA) to form the new Small Enterprise Development Finance Agency (SEDFA). Comments were provided on the implementation of the tourism route development plan, the national tourism air access marketing programme and the White Paper on the Development and Promotion of Tourism in South Africa. In collaboration with the Department of Trade, Industry and Competition and the World Bank, progress was made towards developing a framework for government business incentives and relevant departments were engaged on developing a single register for the beneficiaries of these incentives.

The department participated in the Department of Communications and Digital Technologies monitoring task team for the South African Post Office to discuss progress and financing options in response to the business rescue team. Engagement with the Department of Cooperative Governance continued on funding, management and outcomes of the community work programme. The department facilitated and participated in engagements with the Department of Human Settlements on the spending effectiveness of the urban settlements development grant, conditional grant reforms and proposed reallocations towards the metro trading services component of the urban development financing grant, and participated in workstreams and coordinated contributions to the Human Settlements White Paper.

Programmatic and policy analysis was provided to the Department of Traditional Affairs, including on the resource bids of kings and queens, as well as inputs and comments on certain provisions of the 2024 Traditional and Khoi-San Leadership Bill to support its resubmission to Parliament for re-enactment.

The financing arrangements for the Gauteng freeway improvement project were concluded, together with the financing of backlog road maintenance. Comments were provided on the National Treasury's intervention under section 216 of the Constitution to address defaulting municipalities. This entails withholding the transfer of local government equitable share allocations provided that defaulting municipalities enter into a realistic repayment agreement with the relevant water board and the municipality pays the agreed portion of the current instalment and submits proof of payment to the National Treasury and the Department of Water and Sanitation for the release of the of local government equitable share grant payment. The department also engaged with the Department of Water and Sanitation, Rand Water and the Emfuleni local municipality, and provided comments on the business case for the proposed establishment of the special purpose vehicle between Rand Water and the Emfuleni local municipality.

The department coordinates fiscal and financial relations between the national, provincial and local spheres of government. This function has significant impact, with a planned allocation of 51.4 per cent (R900 billion) for non-interest expenditure to provinces and municipalities in 2024/25.

A total of R1.1 billion previously added to the early childhood development grant to pilot a nutrition support programme and a results-based service delivery model were shifted to the Department of Basic Education. Several structural changes were introduced into the health conditional grants to improve the efficiency of health services and the administration of the grants. In the national health insurance grant, R737 million was shifted to the national tertiary services grant. The personal services and non-personal services components of the national health insurance indirect grant were merged into the health systems component in an effort to improve administration.

During the 2024 adjustments process, R250 million was added to the education infrastructure grant for the Western Cape rapid school build programme, which will continue to receive funding over the MTEF period.

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. A report on the disaster risk financing strategy was completed, which highlighted significant delays in grant disbursement, challenges in the use of grant funding, and the need for improved clarity on and the administration of disaster-related grants. A report on the review of conditional grants was completed, which included performance incentives for infrastructure grants, and introduced reform incentives to public utilities to encourage better performance.

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Several National Treasury grants were reformed and a new grant is being created to drive reform in metro trading services.

To address concerns about water and sanitation needs, a new requirement was introduced during the period under review that mandates the use of the Department of Water and Sanitation's assessment report results in all conditional grants that fund water and sanitation. Policies to enhance the role of the private sector in financing municipal infrastructure were updated. Amendments to the Municipal Fiscal Powers and Functions Act (2007) began in 2023/24, aimed at regulating how development charges are levied. 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). Draft development charges have been put forward and the department will consult with various key stakeholders.

The updated municipal borrowing policy framework complements the use of development charges as a means for financing infrastructure. The National Treasury has initiated interventions for municipalities accessing long-term financing by creating guidelines to help them understand alternative financing mechanisms.

The smart meters grant for municipalities to purchase smart meters was enacted through the 2024 Division of Revenue Act. The grant's design has been finalised and loan negotiations with the World Bank have progressed.

Support was provided to metros for selected projects in the areas of economic development, human settlements, public transport, climate resilience, infrastructure and fiscal reform. The reform in metro trading services has been incorporated as an anchor reform in phase 2 of Operation Vulindlela. The department issued four guidance notes and a municipal budget circular to guide metros to prepare their documents for participation in the reform. Six metro water and sanitation services and six metro electricity services qualified to participate in its first year.

The titling programme has been adopted by the official validation titling support team as part of the spatial inequality reform agenda. Engagements were held with the Department of Human Settlements to discuss the operational plan and memorandum of understanding for titling support. The department prioritised funding for the metro titling backlog, particularly for the proclamation and establishment of townships.

The smart integrated system project, which helps with data analysis and creates credible target setting and interventions, has been piloted in Nelson Mandela Bay and Buffalo City. The release of a new version of the spatial tax panel marks a key milestone of 10 years of granular spatial tax data with a total of 197 datasets.

Content for a capacity-building programme on impact investing and outcomes-based contracting was developed. A creative procurement pilot will be launched with the City of Cape Town's urban waste management. The Department of Transport, the South African Local Government Association, the South African Cities Network, relevant provincial departments, selected secondary cities and the eight metros attended the second minibus taxi community of practice. The cities support programme was appointed by the Presidency to lead the City of Joburg working group on inner-city regeneration. Officials from across metros attended a land value capture webinar on the impact of development charges on affordable housing and infrastructure development.

The neighbourhood development partnership grant comprises two funding streams: a technical assistance grant for municipal planning in investment areas and a capital grant for funding selected catalytic projects in investment areas. Support was provided to municipalities to prepare municipal investment plans. A pipelining process followed by municipal engagements and baseline submissions resulted in the approval of 44 new catalytic projects. Four reports were completed during the reporting period to support the preparation of catalytic projects in rural areas, intermediate cities and metros, and ongoing programme and project management support was provided to 47 municipalities. In partnership with the German Development Cooperation (GIZ), two training workshops on safety in precinct management were conducted for these 47 municipalities.

The department oversaw the management of funds for the public employment programme. Eight public employment programme business plans with detailed implementation plans were evaluated and funds were approved for 70 projects. This resulted in the creation of an estimated 19 967 jobs in 2024/25. Eight mid-year assessment sessions for metros were held, at which progress was presented and projects highlighted the challenges they experience and the assistance they require.

The implementation of the infrastructure delivery management system to improve the delivery of infrastructure across provinces and in local government was supported. This was enabled by the development of the local government infrastructure delivery management system toolkit and made possible by the partnership with the government of Switzerland through the Swiss State Secretariat for Economic Affairs (SECO) and 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. A best practice workshop was held to strengthen various sections of planning documents, and visits to provinces that did not qualify for performance incentive allocations were conducted to address specific areas for improvement.

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The infrastructure reporting model was rolled out to national departments. This reform is expected to contribute towards improved infrastructure data in a central repository and lead to greater transparency across government institutions.

The department continued to improve the conditional grant monitoring framework for local government. The transfer of R154.3 billion in 2024/25 in direct transfers to local government was facilitated, covering conditional and unconditional grants (equitable shares), through the 2024 Division of Revenue Amendment Act.

In ensuring that municipalities can respond to the impact of disasters, R684 million was added to the municipal disaster recovery grant's original allocation of R741 million 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.

The National Treasury continues to help underperforming municipalities improve spending and manage conditional grants. 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. The National Treasury wrote to 171 municipalities with the intention of stopping their funds because of significant underperformance and noncompliance against conditional grant frameworks and the provisions of the Division of Revenue Act. A total of R3.5 billion of a proposed R5.2 billion was stopped. A total of 158 municipalities requested rollovers for unspent conditional grants in 2023/24, amounting to R3.7 billion. The National Treasury approved a total rollover amount of R2.4 billion, 65.5 per cent of the amount requested. A total of 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.

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 2024/25 medium-term revenue and expenditure framework budgets through Municipal Finance Management Act (2003) (MFMA) circulars (numbers 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 positions of their 2024/25 budgets. The adopted budgets for 2024/25 were assessed and it was determined that 16 of the 17 non-delegated municipalities were to be funded.

Several routine publications were published during the reporting period, including the state of local government finances and financial management report.

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, culminating in the Minister of Finance issuing the debt relief conditions for Eskom in the municipal space. Support was also provided to the Department of Water and Sanitation to develop a debt relief programme for water defaulters.

A focus during the period under review was on continued support to provincial treasuries and the implementation of debt relief monitoring. 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. Fourteen detailed investigations into the municipalities that defaulted the most on payments to Eskom were conducted to provide a fuller perspective of the financial dysfunctionality and systemic challenges experienced. Defaulters that consecutively fail 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. 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.

Various revenue-enhancement tools were 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. Debt relief compliance tools were developed to facilitate improved council and stakeholder awareness of collection and indigent 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 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.

Version 6.8 of the municipal standard chart of accounts (mSCOA) was issued in December 2024. Extensive mSCOA support was provided to municipalities (to improve implementation) and provincial treasuries (to improve oversight). The review and consultation processes for the regulation of the minimum business processes and system requirements for mSCOA also commenced in 2024/25. The National Treasury designed, developed and issued illustrative mSCOA specimen annual financial statements (AFS) in 2024/25 to help municipalities prepare their statements.

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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. Through the programme, the National Treasury supported six provincial treasuries and 55 targeted municipalities with the implementation of the mSCOA reform.

The division continued to monitor the implementation of provincial budgets in accordance with section 6 of the PFMA. Four quarterly section 32 provincial revenue and expenditure reports were published and annual provincial budget and facility visits were successfully conducted. The provincial conditional grant rollover process for 2024/25 is under way. The stopping and reallocation process for the human settlements development grant (R550 million), the informal settlements upgrading partnership grant (R250 million) and the education infrastructure grant (R187.9 million) was completed and gazetted in accordance with sections 18 and 19 of the 2024 Division of Revenue Act. The department successfully conducted the provincial budget benchmarking process with provincial treasuries. The recommendations from these engagements are considered by provincial treasuries before finalising their budgets to ensure that government priorities are adequately funded.

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.

The department continued to implement the infrastructure skills development grant, bringing a cumulative 452 professionally registered built environment practitioners into government.

Since April 2020, the Land and Agricultural Bank of South Africa (Land Bank) has been negotiating with its lenders to rectify its default status through a liability solution process. In September 2024, the bank entered into an agreement with lenders and has since begun implementing the liability solution as the default position has been cured. During the period under review, guarantees were issued to the Trans-Caledon Tunnel Authority (TCTA), and the existing guarantees to Eskom, the TCTA, South African Airways and Transnet were regularly monitored. Denel was recapitalised with R3.4 billion, subject to meeting milestones. For South African Airways to exit business rescue, a settlement agreement was reached between its business rescue practitioners and its creditors providing for a gradual payment of historical debts.

As at 31 March 2025, the Minister of Finance had approved the disbursement of R64 billion to Eskom as part of the R66 billion Eskom debt relief package for 2024/25. Of this allocation, R8 billion was converted to equity after Eskom complied with all the strategic conditions for the respective reporting periods. The Eskom Debt Relief Amendment Bill was gazetted in April 2024, empowering the Minister of Finance to charge interest on the Eskom debt relief package and reduce allocations should Eskom not comply with the conditions of the Eskom Debt Relief Act (2023).

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 was provided, as well as on the establishment of a national water resources infrastructure agency.

Fitch Ratings affirmed South Africa's BB- credit rating and "stable" outlook during the reporting period, while S&P Global Ratings revised South Africa's outlook from "stable" to "positive" and affirmed the sovereign's long-term foreign and local currency debt ratings at BB- and BB, respectively. Moody's Investors Service affirmed South Africa's credit rating at Ba2 and maintained a "stable" outlook.

During the year under review, government successfully financed the gross borrowing requirement of R408.8 billion. The stock of government debt increased by R434.1 billion, from R5.3 trillion in March 2024 to R5.7 trillion in March 2025, while strategic risk benchmark indicators remained within recommended limits. The cost of servicing government debt amounted to R385.8 billion, lower than the revised budget estimate by approximately R3.7 billion. During the reporting period, domestic and foreign loans amounting to R98.5 billion were repaid. The division met all government's rand and foreign currency commitments daily, and surplus cash was invested.

A milestone was reached during the period under review with the completion of amendments to the PFMA and MFMA. These took into account the recommendations of the Zondo Commission on state capture. A review of cost-containment measures was conducted, dealing with expenditure related to consultants, entertainment, travel and subsistence, and the hosting and attendance of conferences and social/team building events, as prescribed in instruction 3 of 2017/18 and instructions 6 and 7 of 2022/23. The department was instrumental in drafting an instruction dealing with sponsorships for South Africa's year-long presidency of the G20. The department also issued MFMA circulars. This included circular 131, which provides guidance to municipalities on the transfer of funds to organisations and bodies outside government.

During the period under review, updates to all 12 accounting manuals were published in support of the application of the modified cash standard applied by national and provincial departments. Additional illustrative guides and tools were developed. A webpage on the modified cash standard was developed to allow practitioners to gain a high-level understanding of the requirements per chapter and access useful supporting documents associated with each.

Efforts continued to support improving audit outcomes, and to review, provide feedback on and monitor AFS preparation plans and audit action plans. This included hosting forums of chief financial officers for officials in national institutions and local government.

Information and advocacy sessions were provided upon request by accounting officers and authorities of PFMA institutions to support compliance with the legislative framework. Technical meetings with the Auditor-General of South Africa (AGSA) and PFMA-compliant institutions were held to provide clarity on the interpretation of the PFMA, Treasury regulations and related instructions and frameworks, as well as how to deal with audit disputes.

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Work continued to support internal auditors and risk management professionals in PFMA and MFMA spending agencies. The MFMA helpdesk worked to provide support to municipalities, municipal entities, provincial treasuries and other key stakeholders that submitted queries in relation to the interpretation and implementation of the MFMA.

Assistance was provided through workshops, training and knowledge-sharing sessions that focused on building capacity in municipal public accounts committees, as well as on the roles and responsibilities of disciplinary boards in addressing unauthorised, irregular and fruitless and wasteful expenditure and investigating allegations of financial misconduct.

The National Treasury continued to monitor the level of compliance by national and provincial departments on paying suppliers' invoices within 30 days. Quarterly and annual compliance reports were published.

A progress report was introduced on the improvement of financial management and compliance in PFMA institutions for 2024/25 with a summary of the initiatives undertaken by the department to support PFMA institutions. A similar report is being developed in respect of the MFMA.

National revenue and expenditure information was monitored and reported through monthly reports in terms of section 32 of the PFMA. During the period under review, the National Treasury importantly launched and rolled out the Muni eMonitor system.

The local government financial management grant was transferred to all 257 municipalities in 2024/25 to assist them with improving financial management and implementing the MFMA.

The implementation of the internship programme, which is funded through the financial management grant, continued in 2024/25. Regular performance evaluations, rotational workplans and absorbing interns at the end of their training period helped improve the programme. Verification conducted during the period under review confirmed that approximately 670 interns are employed by municipalities in eight provinces.

Support was provided and contributions were made to the development and professionalisation of the supply chain management (SCM) function as a discipline.

The demand planning skills programme, funded through the Public Service Education and Training Authority, was delivered across all provinces and a total of 461 SCM staff were trained. Similarly, the New Zealand embassy provided funding to train 598 municipal councillors on the customised SCM executive development programme, which is aimed at empowering councillors on the regulatory framework underpinning municipal SCM and their oversight role. The procurement, infrastructure and knowledge management programme, funded by SECO, concluded in December 2024, and the final report was submitted.

Work continued to ensure that government operations ran optimally. This included ongoing maintenance and the adoption of the PERSAL government payroll system, the LOGIS logistical information system, the basic accounting system and Operation Vulindlela to comply with policy and user requirements.

Investigative capacity on critical forensic investigations related to public procurement was provided to law enforcement agencies, the National Prosecuting Authority (NPA) and the South African Police Service (SAPS) in the criminal investigation of complex commercial crime cases. Cases were referred for criminal investigation, with advisory services provided to law enforcement agencies or anti-corruption task teams. To assist with building capacity in law enforcement institutions, national training sessions were conducted on PFMA and MFMA case law for criminal convictions. Collaboration continued with the Asset Forfeiture Unit to recover state funds to the National Revenue Fund, as well as other assets lost through crime.

A comprehensive assessment was done on the system of payroll deductions established in terms of Treasury Regulation 23. While the report is being processed, internal systems and processes for vetting applications for deduction codes were improved and contractual terms were enhanced to hold deduction code holders to a higher level of accountability.

The Public Procurement Act (2024) was approved by the president and gazetted as an act of Parliament on 23 July 2024. Regulations to the act were set to be developed for promulgation during 2025/26. The act will come into effect on a date to be determined by the president by proclamation in the Government Gazette.

During the reporting period, 24 transversal-term contracts and nine supplementary-term contracts were facilitated. These contracts span key sectors including transport, medical services, education, voice and telecommunications, and clothing and textiles. In line with its strategic objective to expand central procurement for commonly used goods and services, the department has assumed responsibility for facilitating a transversal-term contract for the rollout of smart meters.

Government's central supplier database (CSD) continues to simplify and strengthen the accessibility of doing business with the state. As at 31 March 2025, there were 939 237 registered suppliers, of which 332 515 were women-owned, 256 961 were youth-owned and 8 885 were owned by people with disabilities. Multiple improvements have been effected on the platform, including integration with the Private Security Industry Regulatory Agency for the verification of security accreditation, and beneficial ownership for companies owned by natural persons with proof of address.

The eTenders portal was further enhanced 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.

Research was conducted and concept papers were produced on value for money in the procurement cycle, the procurement of innovation, green/sustainable procurement, various procurement methods and infrastructure procurement.

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The department collaborated with the National School of Government for a comprehensive review of financial management modules in the South African economic landscape and evaluated the chief financial officer module, specifically examining strategic financial leadership in navigating fiscal excellence within the public sector.

The National Treasury continued to represent the Southern Africa region in the Committee of 15 Finance Ministers (F15) of the African Union (AU). The F15 has played a critical role since its establishment in 2017 to hold the AU Commission accountable, ensure value for money and enforce transparency on the implementation of the AU budget. Although participation in the F15 is intended to rotate every three years, this has not been applied since 2016 due to a delay in approving the F15 rules of procedure. The department also participated during the AU's annual budget process in which the executive council approved US$609 million, of which US$200 million was contributed by member states (South Africa's contribution was US$15 million) towards the AU's overall budget for 2024/25. South Africa's contribution as a tier 1 country amounts to 7.5 per cent of the overall contribution of member states to the AU's budget.

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. South Africa was handed chairship of the union's finance, risk and audit committee (FRAC) for the period July 2024 to July 2025. As the re-imagination of SACU progresses, the union's Commission held its first retreat in Swakopmund, Namibia, in October 2024, and its recommendations are for consideration by the SACU Council at the ministerial level. South Africa will take over the chairship of SACU in July 2025, including institutions such as the Commission and Council. During the reporting period, a payment of R1.2 billion to Eswatini, Lesotho and Namibia was made for the treatment of the South African rand as legal tender. A work programme for the Common Monetary Area's council was drafted with the SARB and Eswatini, the current chair of the Common Monetary Area.

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. During the period under review, the National Treasury supported the Minister of Finance during the SADC Committee of Ministers of Finance and Investment meeting, which reflected on the region's performance against the SADC macroeconomic convergence targets, the SADC candidate for the president of the African Development Bank, and the operationalisation of the Regional Development Fund.

South Africa hosted a successful ninth Board of Governors annual meeting of the New Development Bank. The theme for the meeting was "investing in a sustainable future". Two key highlights for the National Treasury were the signing of a R5 billion loan facility for Transnet and the approval of US$1 billion funding for a water and sanitation project under the municipal infrastructure grant.

Support was provided to the president by the Minister of Finance and the South African government delegation to the annual meeting of the World Economic Forum. The highlight of this year's meeting was profiling South Africa's G20 presidency priorities.

The National Treasury led South Africa's effective engagement and coordination with the finance track of the G20 under the Brazilian G20 presidency. In parallel, it prepared and planned for South Africa's presidency of the G20 under the theme of "solidarity, equality and sustainability". This is the first African Presidency since the G20 was elevated to leader or head of state level in 2008 and follows the admission of the AU as the second permanent African member of the G20.

South Africa's presidency will maintain a strong focus on challenges facing emerging markets and developing countries, especially on the African continent. To affect this ambition, South Africa is advocating for the G20 to commit to increasing its efforts to implement the G20 Common Framework for Debt Treatments. The National Treasury successfully sustained the dialogue between South Africa and the International Monetary Fund (IMF), including coordinating the IMF Article IV Consultation from 11-25 November 2024. South Africa's Article IV Report was published on 30 January 2025.

During the period under review, South Africa supported the global ambition to reallocate the US$100 billion in special drawing right allocations to vulnerable countries. This ambition has now been met.

During the period under review, continued support was provided to the Minister of Finance in his role at the World Bank. In the South Africa country partnership framework for 2022 to 2026, which underpins the collaboration between South Africa and the World Bank Group (WBG), lending has increased the World Bank's International Bank of Reconstruction and Development operational footprint through a deepening and an expansion of the financing portfolio in the energy, urban, financial, water and transport sectors, and at subnational levels.

During the IMF/WBG annual meetings in October 2024, South Africa's new Africa Group 1 constituency at the IMF held its inaugural meeting, where South Africa and the other constituency members adopted the working rules and procedures of the new constituency. During the reporting period, South Africa supported the scaling up of concessional finance to low-income countries through the National Treasury's effective participation in the replenishment negotiations of the WBG's concessional fund, the International Development Association (IDA). This resulted in securing a historic commitment of up to US$100 billion for the 21st replenishment of IDA, covering the period July 2025 to June 2028, as well as retaining key priorities such as job creation and private sector development as priority areas.

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The National Treasury continued to participate in the just energy transition partnership. This included an ad hoc work programme with the purpose of furthering negotiations on the new collective quantified goal for climate finance and the finance discussions in the United Nations framework convention on climate change at COP29, which saw the conclusion of the goals. Guidance was provided to the operating entities of the financing mechanism and the establishment of the Baku-to-Belem Roadmap to 1.3 trillion, with the goal of scaling up climate finance for developing countries, aiming to mobilise at least US$1.3 trillion per year by 2035. This is expected to be approved at COP30 in November 2025.

African Development Bank (AfDB) governors approved the new 10-year strategy for 2024 to 2033, which outlines how the AfDB will confront Africa's pressing challenges and support sustained economic growth and prosperity. The Board of Governors also approved a US$117 billion general callable capital increase to preserve the AfDB's lending capacity and respond to the requirements of credit agencies. The AfDB 2023 to 2028 country strategy paper for South Africa continued to be implemented through lending and non-lending programmes to support South Africa in strengthening the foundation for private sector investment to bolster industrialisation and support increased long-term growth and job creation. In July 2024, a Transnet corporate loan of US$ 1 billion was approved as a public sector facility with a sovereign guarantee.

The department's Civil and Military Pensions, Contributions to Funds and Other Benefits programme paid out R7.4 billion in 2024/25 compared to R6.6 billion in 2023/24. This is attributed to the increase in medical subsidies paid and in injury on duty awards. The number of pensioners and beneficiaries increased by 3.8 per cent, from 179 894 in 2023/24 to 186 786 in 2024/25. This increase was partly due to a 4.3 per cent increase in post-retirement medical subsidy pensioners and beneficiaries, from 159 379 in 2023/24 to 166 239 in 2024/25, and a 2.9 per cent increase in injury on duty awards, from 10 000 in 2023/24 to 10 289 in 2024/25. It is anticipated that the Special Pension Amendment Bill will be finalised and implemented in 2025/26.

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 2024/25.

Table 1: Sources of revenue

DEPARTMENTAL RECEIPTS	2023/24			2024/25		
	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	3 229	4 107	- 878	354 086	353 859	227
Interest, dividends and rent on land	8 156 048	12 620 660	-4 464 612	6 192 000	10 123 653	-3 931 653
Sale of capital assets		681	-681	-	-	-
Financial transactions in assets and liabilities	291 300	60 998	230 302	291 550	100 021 090	-99 729 540
Total	**8 450 577**	**12 686 446**	**-4 235 869**	**6 837 636**	**110 498 602**	**-103 660 966**

The revenue received on the financial transactions in assets and liabilities item relates to 91 per cent of the department's total revenue.

Sale of goods and services

This was primarily on fees for government guarantees insurance received from the South African National Roads Agency (SANRAL) (R353.5 million). The remaining balance relates to the proceeds from the replacement of lost office property and the services rendered for commission insurance and garnishes, which were lower than estimated.

Interest

The overcollection of R3.932 billion is mainly due to more interest income received from investments in the tax and loan accounts, and foreign currency deposit and dividend income received from the Public Investment Corporation (PIC).

Financial transactions

The overcollection of R99.73 billion is mainly due to gold and foreign exchange contingency reserve account (GFECRA) income received from SARB.

6.2.2 PROGRAMME EXPENDITURE

The table below provides a high-level comparison of 2023/24 versus 2024/25 of the expenditure incurred by the department against appropriated funds.

Table 2: Payment expenditure made by programmes for the period 1 April 2024 to 31 March 2025

PROGRAMME	2023/24			2024/25		
	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	609 884	486 176	123 708	702 408	699 268	3 140
Economic Policy, Tax, Financial Regulation and Research	138 370	127 462	10 908	137 596	120 058	17 538
Public Finance and Budget Management	4 003 767	3 977 671	26 096	4 069 162	3 589 545	479 617
Asset and Liability Management	657 653	656 361	1 292	145 164	137 940	7 224
Financial Accounting and Supply Chain Management Systems	821 580	754 884	66 696	737 255	734 372	2 883
International Financial Relations	2 754 112	2 707 658	46 454	2 526 242	2 321 449	204 793
Civil and Military Pensions Contributions to Funds and Other Benefits	6 659 738	6 659 665	73	7 365 055	7 364 497	558
Revenue Administration	13 280 696	13 280 696	-	12 388 563	12 388 563	-
Financial Intelligence and State Security	5 424 478	5 424 478	-	5 265 620	5 265 620	-
Total	**34 350 278**	**34 075 050**	**275 227**	**33 337 065**	**32 621 312**	**715 753**

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The department's budget allocation for 2024/25 activities was R33.337 billion. Actual expenditure as at 31 March 2025 amounted to R32.621 billion, representing 98 per cent of the total allocated budget. The main contributors to the underspending are:

- **Compensation of employees**: The underspending of **R5.3 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**: The **R174.8 million** underspending was due to:
  - R16.9 million on venues and facilities: The underspending is mainly due to lower than anticipated invoices received from various service providers for the G20 Summit. The unspent funds will be declared back to the fiscus
  - R14.1 million on consultancy services within the Deputy Director-General: Tax and Financial Sector Policy division, as explained under programme 2. The unspent funds will be declared back to the fiscus
  - R5 million on consultancy services within the Deputy Director-General: Asset and Liability Management division, as explained under programme 4. The unspent funds will be declared back to the fiscus
  - R15 million on various items within goods and services: Across different programmes (including catering, 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 the fiscus
  - R123.8 million on advances to the municipal finance improvement programme (MFIP), the cities support programme (CSP), the infrastructure delivery improvement programme (IDIP) and the indirect component of the *neighbourhood development partnership grant* that are not underspending, but rather represent advance payments made during 2024/25.
- **Transfers and subsidies**: The underspending of **R533.8 million** mainly on:
  - Lower than anticipated SARB estimates for the Common Monetary Area compensation. This resulted in reduced transfer payments to eSwatini, Namibia and Lesotho. In addition, advances to the Jobs Fund and the Development Bank of Southern Africa (DBSA) that are not an underspending, but rather represent advance payments made during 2024/25. The unspent funds will be declared back to the fiscus.
- **Payment of capital assets**: The underspending of **R3.6 million** mainly because a new ministerial vehicle was not procured as anticipated. The procurement process will be finalised in 2025/26. Accordingly, the unspent funds will be declared back to the fiscus.
- **Payment for financial assets** had an overspending of **R290 000** due to theft and losses.

PROGRAMME 1

Administration spent R699.268 million, which represents 99.6 per cent of the allocated budget.

PROGRAMME 2

Economic Policy, Tax, Financial Regulation and Research spent R120.058 million, which represents 87.3 per cent of the allocated budget.

PROGRAMME 3

Public Finance and Budget Management spent R3.59 billion, which represents 88.2 per cent of the allocated budget.

PROGRAMME 4

Asset and Liability spent R137.94 million, which represents 95 per cent of the allocated budget.

PROGRAMME 5

Financial Accounting and Supply Chain Management Systems spent R734.372 million, which represents 99.6 per cent of the allocated budget.

PROGRAMME 6

International Financial Relations spent R2.321 billion, which represents 91.9 per cent of the allocated budget.

PROGRAMME 7

Civil and Military Pensions, Contributions to Funds and Other Benefits spent R7.364 billion, which represents 99.9 per cent of the allocated budget.

PROGRAMME 8

Revenue Administration transferred R12.389 billion, which represents 100 per cent of the budget allocated.

PROGRAMME 9

Financial Intelligence and State Security transferred R5.266 billion, which represents 100 per cent of the budget allocated.

06 REPORT OF THE ACCOUNTING OFFICER

6.2.3 VIREMENTS/ROLLOVERS

The department applied internal virements from savings to cover overspending mainly on the following:

- Programme 1 received an aggregate of R179.52 million: R115 million (from the 2023/24 rollover) and R64.52 million (received from various programmes to cover the shortfall in compensation of employees, ICT system servers, for laptop bulk buying and to cover claims against the department within households).
- Programme 2 gave an aggregate of R10.499 million to various programmes to cover the shortfall on the compensation of employees and for laptop bulk buying.
- Programme 3 gave an aggregate of R118.846 million to various programmes to cover the shortfall on the compensation of employees, laptop bulk buying and to programme 7 to increase households within transfers and subsidies to the post-retirement medical benefit and injury on duty.
- Programme 4 received an aggregate of R12.78 million from various programmes to cover the shortfall in compensation of employees and computer services for the back office system.
- Programme 5 gave an aggregate of R12.484 million to various programmes mainly to cover the shortfall on the compensation of employees, laptop bulk buying and to increase households within transfers and subsidies to the post-retirement medical benefit and injury on duty in programme 7.
- Programme 6 gave an aggregate of R239.471 to increase households within transfers and subsidies to the post-retirement medical benefit and injury on duty in programme 7 and goods and services for the G20 Summit.
- Programme 7 received R297 million to cover the shortfall on the post-retirement medical benefit and injury on duty.

6.2.4 UNAUTHORISED EXPENDITURE

No unauthorised expenditure has been 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 R284.713 million. There were no new irregular expenditure transactions/cases that were identified or reported in 2024/25, proving the department's internal controls to be effective.

The irregular expenditure confirmed and reported in the 2024/25 AFS was R36 000 relating to multiyear contracts. During the reporting period, an amount of R3.69 million was approved for condonation by the chief procurement officer. Furthermore, approval was granted by the director-general to remove irregular expenditure to the amount of R44.547 million. This resulted in a reduction to the cumulative closing balance, which was R236.512 million at the end of the reporting period.

6.2.6 FRUITLESS AND WASTEFUL EXPENDITURE

There were no new cases of fruitless and wasteful expenditure reported in 2024/25.

6.2.7 SUPPLY CHAIN MANAGEMENT

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

The procurement of goods and services is centralised in the SCM directorate. Procurement has been achieved through the approved annual demand and procurement plans, which are prepared, implemented and monitored in-line with the PFMA and PFMA SCM instruction notes.

In 2024/25, the department procured goods and services according to the procurement plan with 35 projects. Of these, an average of 40% were advertised, while 60% 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 irregular, fruitless and wasteful and unauthorised expenditure through the design and implementation of monitoring, preventative and corrective controls.

Conflicts of interest are managed through procurement and other processes. The SCM directorate ensures that:

- supply chain management practitioners, role players and bid committee members disclose their financial interests
- senior management, employees and key suppliers are vetted
- bidders' conduct against the register of tender defaulters and database of restricted suppliers is verified.

Exemption and deviations

- The department did not realise any exemption under the SCM operations for 2024/25. Deviations were approved for the current fiscal year. Registers were kept and 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

There were no other material facts or circumstances to be reported.

CONCLUSION AND APPRECIATION

My gratitude is extended to the National Treasury team, key to all of the department's endeavours, for their tenacious, proficient and dedicated service.

Finally, I would like to thank Minister Enoch Godongwana, Deputy Minister David Masondo and Deputy Minister Ashor Sarupen for their leadership, guidance and steadfast support.

DR DUNCAN PIETERSE
Accounting Officer
Date: 27 August 2025

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

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 judgements 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 2025.

Yours faithfully

DR DUNCAN PIETERSE
Accounting Officer
Date: 27 August 2025

08 STRATEGIC OVERVIEW

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 to 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, we maintain the stability of the macro-economic and financial sectors, and we 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.

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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

MARUMO MAAKE
ACTING HEAD:
Budget Office

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

MENDOE NTSWAHLANA
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
- Enterprise Risk Management
- Internal Audit

ORGANISATIONAL STRUCTURE 09

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ORGANOGRAM

STADI MNGOMEZULU
HEAD:
Corporate Services

- Strategic Projects & Support
- Human Resources Management
- Information & Communications Technology
- Facilities Management
- Security Management
- Media Liaison & Communications

OGALALETSENG GAAREKWE
HEAD:
Intergovernmental Relations

- Local Government Budget Analysis
- Intergovernmental Policy & Planning
- Provincial & Local Government Infrastructure
- Provincial Budget Analysis
- Neighbourhood Development Unit

RAVESH RAJLAL
ACTING HEAD:
Asset & Liability Management

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

EMPIE VAN SCHOOR
HEAD:
Office of the General Counsel

- Legal Services
- Legislation
- Public Entities Governance Unit (PEGU)

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

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GENERAL INFORMATION

PUBLIC ENTITIES REPORTING TO **THE MINISTER**

PUBLIC ENTITIES REPORTING TO THE MINISTER 10

During the period under review, 18 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. Eight of these entities receive transfers from the National Treasury. These are the: Accounting Standards Board (ASB), Cooperative Banks Development Agency (CBDA), 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 the South African Revenue Service (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, Government Pensions Administration Agency (GPAA), Ombud Council, 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).

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

Although each entity develops and reports on its own strategic and corporate plans, 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 fulfil 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:

- Completed the analysis of the proposed GRAP standard on social benefits issued in 2023/24 for comment. All affected stakeholders were consulted on the proposed standard and provided constructive inputs. Based on the feedback received, the board will issue changes to the proposed standard in the new financial year for comment.
- The post-implementation review of the standard on accounting by principals and agents was completed. The review was important as the identification of principals and agents was the subject of a court case between the AGSA and the Western Cape Department of Economic Opportunities. After the case was concluded, many stakeholders asked whether the standard needed revision. While identifying principals and agents remains a difficult area of judgement for stakeholders, no significant deficiencies were observed by them.
- The ASB posted 23 new videos on topical accounting issues on its YouTube channel. These videos were well received by preparers and auditors and assisted with applying GRAP standards.
- 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 in 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. Stakeholders have expressed their support for the initiative.

Cooperative Banks Development Agency

The CBDA was established in terms of the Cooperative Banks Act (2007) and functioned as a schedule 3A public entity dedicated to fostering financial inclusion and strengthening the cooperative banking sector.

In 2021, Cabinet approved the merger of the CBDA with the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA) to form the Small Enterprise Development Finance Agency (SEDFA). The CBDA's mandate was integrated into that of the new entity to ensure continuity in supporting cooperative banking institutions. As such, the CBDA's vision for financial inclusion, economic transformation and sector competitiveness is embedded in SEDFA's five-year strategic plan. This was aimed at ensuring that the cooperative banking sector remains a key component of national economic development strategies.

While the merger was initially set to take effect from 1 April 2022, legislative delays required extensions. After passing through the National Assembly in December 2023 and receiving Cabinet approval for an extended transition period in March 2024, the National Small Enterprise Amendment Act (2024) was assented to by the president on 18 July 2024 and promulgated on 23 July 2024.

The formal establishment of SEDFA took effect on 1 October 2024. During the reporting period, covering both the pre-merger phase from 1 April 2024 to 30 September 2024 and the post-merger phase from 1 October 2024 to 31 March 2025, the following achievements were realised:

- Conducted eight training programmes (against a targeted 11 for 2024/25), provided direct technical assistance for 42 CBIs (against a planned 35), made 24 monitoring interventions (against a target of 20), and assisted all organised groups that approached it for assistance. Support interventions were also provided to 21 CBIs.
- Implemented 18 outreach and education activities about the CBI model, resulting in increased public awareness. Outreach efforts were significantly expanded through collaborations with various stakeholders, which allowed the agency to increase public awareness of cooperative banking models and educate small, medium and micro enterprises (SMMEs) on financial inclusion.
- Engaged 24 stakeholders, including international and academic institutions, and public and private sector entities. These collaborations enabled resource sharing and enhanced the sector's impact through joint efforts aimed at improving access and services to the sector.
- Received a clean audit opinion from AGSA on the 2023/24 AFS.
- Assisted with the application submitted to the Prudential Authority to register a national secondary cooperative bank. Through this support, minor regulatory queries were addressed and governance policies and development plans for the bank were refined.

Hosted the 2024 Cooperative Banking Indaba from 15 to 17 October 2024 in collaboration with the Gauteng Department of Economic Development. The event centred on the theme "Cooperative Banking Institutions as Financial Intermediaries of Choice for Local Economic Development and Growth". This was intended to emphasise the critical role of cooperative banking institutions in addressing socioeconomic challenges. Discussions at the indaba underscored the importance of job-creation strategies, digital transformation in financial

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

inclusion, regulatory compliance improvements, and capacity-building initiatives to ensure sustainability and competitiveness in the cooperative banking sector.

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 accelerate inclusive development on the continent by expanding 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 the reporting period:

- Recorded a net profit of R5.4 billion and achieved a return on equity on sustainable earnings of 9.4 per cent.
- Facilitated and supported infrastructure development valued at R91.3 billion. This comprised:
  - R17.5 billion in loans, bonds and equity disbursements
  - R42.3 billion in infrastructure projects supported through project preparation
  - infrastructure delivered to the value of R5.2 billion
  - R22.9 billion of total funds catalysed for infrastructure projects
  - R3.4 billion unlocked for infrastructure development in under-resourced municipalities.
- Approved projects to the value of R1.6 billion for existing climate and environmental facilities.
- Spent R4 billion for the benefit of black-owned entities (50 per cent and above black shareholding), of which R2.6 billion benefited entities owned by black women (30 per cent and above black women shareholding). A total of 956 SMMEs benefited from infrastructure delivered to date, of which 160 are women-owned.
- Provided funding for the refurbishment and construction of 24 schools, expected to benefit 13 380 learners.
- Provided funding for the construction of 165 ventilated improved pit latrine toilets to benefit 22 722 learners.
- Facilitated 35 154 jobs.
- Incurred no irregular expenditure.

Financial and Fiscal Commission

The FFC is a schedule 1 constitutional institution established in terms of chapter 13, sections 220 to 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 includes 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 the reporting period:

- Delivered on all constitutional and legislative submissions, including the FFC's annual submission on the 2025/26 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 2024 MTBPS in terms of the 2024 Division of Revenue Amendment Bill and the 2024 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).

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Key achievements during the reporting period:

- Registered 53 684 institutions.
- Produced 3 104 reactive and 1 092 proactive reports, of which 101 were classified as high priority.
- Responded to all 153 requests for funds to be blocked.
- Conducted 46 FICA risk and compliance awareness initiatives, 556 risk-based inspections on accountable and reporting institutions and issued 25 notices of sanctions to enhance FICA compliance.
- Participated in all eight policy-making meetings held for the year, including 6 meetings of the FATF and two 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 financial market infrastructure involved in financial markets. An important component of the authority's mandate is promoting financial literacy through financial education.

Key achievements during the reporting period:

- Launched the second and final phase of the trustee training toolkit on 28 March 2024. As at 14 March 2025, 6 906 trustees were registered for the first set of 11 modules, with an 82 per cent completion rate (5 668 completions); and 5 562 trustees were registered for the second set of 11 modules, with a 90 per cent completion rate (4 990 completions). As at 28 March 2025, 852 of the 865 active retirement funds (98 per cent compliance rate) had submitted the requested information to the authority's fund governance and trustee conduct department.
- Received 856 applications for rule amendments related to the two-pot retirement system. Of these, 847 rule amendments were registered, translating to a 99 per cent compliance rate. The authority is awaiting responses from administrators of the nine remaining applications to finalise the process.
- Implemented the FSCA's three-year regulation plan, which entails giving effect to appropriate legislative interventions with the intention of promoting good conduct and fair treatment of

financial customers by financial institutions. This progressed well during the period under review, with a 90.5 per cent achievement reflected in the regulation plan.

- Implemented the FSCA's three-year regulation plan on giving effect to appropriate legislative interventions to promote market efficiency and integrity. This resulted in a 90.9 per cent performance achievement of planned interventions.
- Published the financial education plan on 31 May 2024. The Money Smart Week campaign on SABC radio reached approximately 11 046 000 listeners, and a social media partnership campaign with Discovery Group reached 82 120 consumers. Achieved all 27 targets that were published in the financial education plan.
- Piloted the grade R speech festival (600 learners) and hosted the national grade 11 financial literacy speech competition on 4 October 2024, reaching 4 934 learners. The external monitoring and evaluation report is available at www.fscamymoney.co.za.
- Hosted the Financial Education Summit, which was attended by 165 heads of financial institutions and financial education stakeholders.
- Reached 41 980 consumers through the debt management, Know your Rights and tertiary education campaigns, including university students, through webinars and social media. Workshops aimed at empowering participants in the EPWP and officials in provincial consumer offices reached 4 548 attendees.
- Achieved all targets for the year as part of the digital transformation strategy. These targets were related to enhancing various facets of operations such as customer experience, efficiency and agility, and effective decision-making processes.
- As at 4 March 2025, the FSCA received 447 licence applications from crypto asset service providers. Of these applications, 267 were processed during the period under review, including 11 that were declined; 106 applications were withdrawn, while 69 applications remain in progress, comprising 43 new licences and 26 licence variations.
- Published an article on the FSCA's consumer education website (fscamymoney.co.za) that outlines consumer considerations in relation to crypto assets. The article highlighted the risks of crypto assets and explained the implications of the declaration of crypto assets as a financial product in terms of the Financial Advisory and Intermediary Services Act (2002) (FAIS Act).
- Published a regulatory actions report on the FSCA website on 30 June 2024. The report focuses on case studies covering new trends, developing topics, and other issues of interest to the industry and other stakeholders.
- Released the 2025-2028 regulatory strategy, which outlines the authority's strategic direction for the next three years. The strategy reflects the FSCA's ongoing commitment to fostering a

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financial sector that delivers better outcomes for customers while maintaining a proactive, responsive and forward-looking regulatory approach.

Financial Sector 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, and perform other functions conferred on it by the act and specific financial sector laws.

Key achievements during the reporting period:

- Received 237 applications for reconsideration.
- Published 221 decisions related to applications for reconsideration on the FSCA website.
- Issued 79 decisions on applications for leave to reconsider arising from decisions made by the FAIS Ombud.
- Three decisions were taken on review to the high court.
- The Trustco Group Holdings Limited application for leave to appeal to the Constitutional Court (the tribunal decision initially taken on review to the high court in 2022) was refused with costs.

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). As at 31 March 2025, on behalf of the National Treasury, the agency administered the Temporary Employees Pension Fund in terms of the Temporary Employees Pension Fund Act (1979), and the Associated Institutions Pension Fund in terms of the Associated Institutions Pension Fund Act (1963). The funds were set to be amalgamated into the GEPF from 1 April 2025.

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 94.8 per cent of benefits on time on receipt of duly completed documentation (89.6 per cent of GEPF payments and 99.9 per cent of National Treasury payments).

- Admitted an average of 99.9 per cent of new members within 14 days (100 per cent for the GEPF and 99.9 per cent for the National Treasury).
- Serviced 100 per cent of clients who visited the GPAA offices throughout the country.
- Reached an average of 70.1 per cent of clients through digital communication channels.
- Resolved an average of 94.2 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.

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 reporting period:

- Supported 16 institutional development projects ranging from business case development to programme and project management support.
- Hosted six capacity-building events for PPPs.
- Conducted four personnel remuneration analyses for the Gauteng Provincial Treasury personnel analysis and benchmarking; produced a medical practitioners and specialists personnel report; and conducted analyses of defence personnel remuneration, and the compensation employees and personnel trends in programme 1 in the administration services cluster for the period 2016/17 to 2023/24. These analyses provided valuable insights into personnel and expenditure in their respective areas.
- Provided capacity-building support, through training on personnel analysis, to the Gauteng Provincial Department of Education for its spending review.

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 regulating audits performed by registered auditors.

During the year under review, the last of the 2021 to 2025 strategic period, one of the board's priority areas was to restore confidence in it and the profession as a whole. This aspect of the

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strategy focused on ensuring improved audit quality; engaging with stakeholders to emphasise collaboration, without compromising independence, towards promoting broader reforms; and ensuring the sustainability and relevance of the board and profession.

Key achievements during the reporting period:

Auditor standards and ethics

- In November 2024, the committee for auditor ethics approved the revised IRBA code of professional conduct for registered auditors, including all recent amendments and additions.

Audit quality improvements

- Consistent improvement has been noted in audit quality at the engagement level and inspections results have shown consistent improvement over the past six years, with positive outcomes increasing from 38% (2019) to 45% (2024).
- The Minister of Finance gazetted new maximum limits for monetary fines on improper conduct. IRBA drafted a guideline on implementing these limits, which addresses practices for determining fines for transgressions. This was gazetted for public comment during the period under review.

Education and transformation

- There has been a marked shift in race and gender representation among registered candidate auditors, reflecting a more inclusive future for the profession.
- Up to 8 000 high school learners were reached through career days, during which vital information about the auditing profession was shared, in addition to encouraging them to consider auditing as a career choice.
- A total of 77 audit prizes were awarded to top auditing students across different institutions.

Stakeholder engagement and strategy

The 2026-2030 strategic plan was developed and approved by the board after a comprehensive consultation process. The new strategic focus is on fostering a thriving profession, impactful stakeholder collaboration and organisational enhancement.

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 developments during the reporting period:

- Collected R3.7 billion from clients, disbursed R807.8 million to clients and, as part of the bank's strategy to pay lenders as per the liability solution, paid R8.5 billion to lenders (capital and interest).
- The group was expected to report a profit of approximately R956 million in 2024/25 compared with a profit of R110 million in the previous year. On banking operations alone, the group was expected to post a profit of R839.4 million compared with a profit of R148.2 million in the previous year.
- Gross interest income was approximately R3.4 billion and net interest income was R1.8 billion, compared with R2.6 billion and R714 million in the previous year.

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 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 reporting period:

- Received 15 404 complaints compared with 10 574 in 2023/24. Of the complaints received in the reporting period, 22 per cent were within the scope of the office's mandate.
- The number of complaints settled amounted to 1 456, representing an overall settlement ratio of 41 per cent, with an overall settlement value of R31.7 million.
- The time to completion for all justiciable complaints was 73.4 working days. This was an improvement from the 94.7 working days during the previous reporting period.

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

Office of the Pension Funds Adjudicator

The OPFA 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. The office is also expected to incorporate innovation and proactive thought and action in its activities and provide opportunities for individual growth to its staff.

Key achievements during the reporting period:

- Received 10 331 complaints across all provinces through various mediums.
- Finalised 10 100 complaints (including those carried over from 2023/24). Of these, 1 175 were settled, 5 434 were formally determined, 1 890 were deemed out of jurisdiction for various reasons, and 1 600 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 18 576 customer contacts (4 847 complaints and 13 729 queries).
- Conducted evaluations and reviews on 4 913 complaints (some rolled over from the previous year).
- A total of 2 390 complaints received were resolved by SARS.
- SARS implemented 99.3 per cent (2 372 out of 2 390) of the OTO's recommendations.

Ombud Council

The Ombud Council 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. The council 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:

- Developed and funded a multi-phase multi-media advertising campaign for the financial sector ombud system and the ombud schemes, including awareness of the new amalgamated National Financial Ombud (NFO) scheme. Other awareness activities included seven webinars, presentations, outreach programmes and participation in the Money Smart Week initiative.
- The Council supported the NFO through its first year of operations, exercised oversight over its complaint handling functions, and ensured the scheme conducted a one-year review of the effectiveness of its governing rules.
- Finalised a comprehensive complaint data reporting framework, setting out consistent and comparable reporting requirements across the ombud schemes.

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 investment mandates, as 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 reporting period:

- Assets under management increased by 13.9 per cent year-on-year to R3.06 trillion as at 31 March 2025.
- The PIC's listed investments portfolio was valued at R633 billion by the end of the financial year, across domestic and non-domestic listed classes. The Total Listed Fund returned a positive 17.7 per cent over the past 12 months, outperforming its composite benchmark of a positive 17.5 per cent by 0.14 per cent on a total return basis. The PIC holds bonds worth R98.25 billion in Eskom, R13.96 billion in Transnet and R8 billion in SANRAL.
- In terms of unlisted investments, as at 31 March 2025, capital committed to the Isibaya Fund exceeded R100 billion across 145 portfolio companies on behalf of the GEPF, the Unemployment Insurance Fund (UIF) and the Compensation Fund. The Isibaya Fund invests in social and economic infrastructure that plays a crucial role in economic growth by providing essential services and fostering human development.

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

- Investment in property amounted to R55 billion as at March 2024. During the year under review R5.3 billion was approved for direct and indirect investments. The significant transactions include investment in Century City (R1.7 billion), Gateway Real Estate Africa (R879 million), Capital Apartments (R862 million) and Dwarsloop (R700 million).
- Significant transactions through the Early-Stage Fund amounted to approximately R1 billion during the period under review. This was intended to fund various early-stage projects, create new industries, drive fresh innovation and support job creation to unlock economic growth. The approved significant transactions include Climate Fund Managers (R300 million), Fireball Fund (R250 million), Hlayisani Venture Capital (R200 million) and Edge Growth Ventures' Impact Fund (R200 million).

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 the reporting period:

- Net revenue collected was R1.85 trillion, a 6.6 per cent increase from the previous year's collection of R1.74 trillion.
- Processed 9.3 million personal income tax assessments. Included in this were 5 million auto assessments during the filing season. Refunds valued at R40.8 billion were paid to 3.5 million taxpayers.

Positive trends in headline indicators

- Compliance revenue grew by with 76.7 per cent since 2020/21.
- The trade facilitation index increased by 37 per cent from the baseline established in 2022/23.
- Voluntary compliance increased by 6.3 per cent, from 62.89 per cent to 66.87 per cent, in 2024/25.
- Employee engagement improved from 61.6 per cent to 71 per cent. SARS achieved a top 10 per cent place in the market, which comprises South African institutions and government-comparable sectors.
- During 2024/25, four illicit schemes were collapsed. SARS has targeted specific illicit industries such as gold, fuel and petroleum, as well as alcohol (ethanol) smuggling. Two of the four illicit schemes were from the fuel and petroleum industry. SARS has collected R1.8 billion and received a settlement proposal of a further R1.6 billion from the two schemes. The third

scheme involves illicit fuel adulteration. SARS detained the assets, equipment and products at depots and arrests were made by South African Police Services. The fourth scheme was for illicit gold trade and VAT fraud, resulting in R6.1 billion recovered.

- The National Prosecuting Authority (NPA) conviction rate was 98 per cent compared to 96 per cent in 2020/21.

South African Special Risks Insurance Association

SASRIA 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 the reporting period:

- The investment portfolio exhibited a net return of R1.3 billion which is CPI + 3.83 per cent compared to the target of CPI plus 2 per cent.
- Only one of the 908 claims received during the period was overturned by the new amalgamated National Financial Ombud Scheme. As such, the overturn rate was 0.11 per cent against the targeted rate of less than 0.5 per cent.
- The operational expense ratio was 4.7 per cent, which is within the 6 per cent to 7 per cent target range.
- 97 per cent of the fast-track claims were settled within 25 days against the targeted 90 per cent for the year.
- 91.3 per cent of large losses claims were settled within 50 days against the targeted 70 per cent for the year.
- Reported a profit before tax of R3.7 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 a favourable interest-rate environment. It posted an insurance service result profit of R2.6 billion resulting from gross written premium growth and a positive claims experience for clients.

2024/25

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 325 for the Report of the Auditor-General, published as Part F: Financial information.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

GDP growth has slowed substantially and remained subdued following an initial strong recovery from the global COVID-19 pandemic. GDP growth in 2024 came in lower than the 1.1 per cent forecast at the time of the 2024 MTBPS, growing at just 0.6 per cent, marginally down from 0.7 per cent growth in 2023. Growth remains well below the rates needed to significantly reduce unemployment or address pervasive poverty and inequality.

The global economic environment during 2024/25 was characterised by both easing global inflation, and persistent downside risks. Inflationary pressures have moderated across most major economies, prompting several central banks – including the US Federal Reserve and the European Central Bank – to begin cautiously reducing interest rates. This shift has slightly improved global liquidity conditions and supported capital flows into select emerging markets. However, broader recovery remains uneven and vulnerable to multiple shocks.

Geopolitical instability continues to pose significant risks to the global outlook. The protracted conflicts in Ukraine and the Middle East have not only heightened uncertainty, but also disrupted supply chains and energy markets. China's economic recovery, particularly in the property sector, remained fragile, dampening regional trade momentum. Global trade volumes have also been constrained by higher transport costs, the fragmentation of supply chains and the persistent threats of increasingly protectionist trade policies following the change in the US administration.

Commodity prices – especially for energy and key metals – have been volatile, driven by supply-side disruptions and uncertain demand prospects. For South Africa, this has had mixed effects: although higher prices have supported some export earnings, they have also raised input costs for local producers and contributed to domestic price pressures.

Domestically, South Africa's economy continues to struggle with deep-seated structural constraints. Although the intensity of load shedding has declined, energy supply remains unreliable and costly. Operational inefficiencies in network industries – particularly rail, ports and freight logistics – have further weakened productivity and export competitiveness. Administrative delays, regulatory bottlenecks and ongoing governance concerns have also affected investor sentiment.

After expanding by 3.9 per cent in 2023, gross fixed capital formation contracted by 3.7 per cent in 2024. Private sector investment, which accounts for more than 70 per cent of total fixed investment, has been adversely affected by elevated operating costs, policy uncertainty and infrastructure bottlenecks. Public sector investment has underperformed due to chronic underspending relative to capital budgets, project implementation delays and capacity constraints at the municipal level.

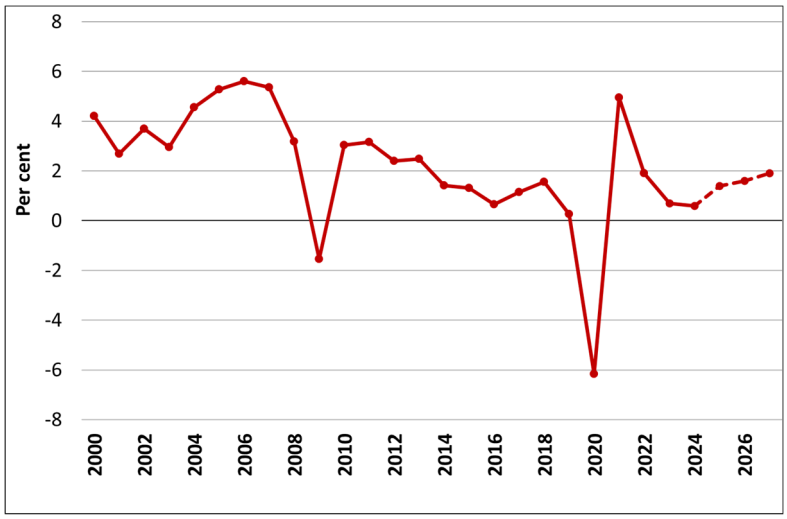
While domestic inflation has continued to ease – reflecting lower food and fuel prices – upside risks persist, particularly from administered prices, global oil price volatility and potential currency weakness. By the end of the financial year (March 2025), consumer price index (CPI) inflation had fallen as low as 2.7 per cent year-on-year, down from more than 5 per cent at the beginning of the year. The South African Reserve Bank has maintained a cautious monetary policy stance during the financial year, reducing the repo rate three times by 25 basis points each time, balancing the need to anchor inflation expectations against the imperative to support growth.

On the fiscal front, government revenue performance has remained constrained by modest economic growth and tax compliance challenges. Although efforts to contain non-priority spending have continued, rising debt-service costs and pressures to increase social spending have limited fiscal flexibility. South Africa's sovereign risk premium has remained elevated, reflecting concerns about debt sustainability, governance and the pace of reform.

A major political development occurred relatively early in 2024/25. Following South Africa's seventh democratic national elections in May 2024, no single political party achieved a parliamentary majority. This led to the formation of a government of national unity (GNU), comprising parties across the political spectrum. The GNU is intended to provide political stability, foster consensus-driven policy-making and enable the country to tackle urgent economic and social challenges. While the political transition has been peaceful, the success of the GNU will depend on its ability to maintain cohesion and deliver meaningful structural reforms.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

Figure 1: Real GDP growth and projections[1]



Economic outlook

Medium-term economic prospects are cautiously optimistic, underpinned by ongoing reforms in logistics, energy and infrastructure. These efforts are expected to bolster growth and investment, supported by structural improvements in energy supply – such as the operationalisation of the National Transmission Company and improved power station performance, which has led to more stable electricity availability since March 2024 (despite some local interruptions, mainly due to maintenance issues). Reforms in freight logistics, including the Economic Regulation of Transport Act (2024) and private sector participation in rail, aim to address inefficiencies and reduce costs.

However, risks to the outlook remain. Volatile global commodity prices – amplified by ongoing geopolitical tensions – continue to challenge South Africa's export-dependent sectors. Weather-related disruptions, including the impact of El Niño on agricultural output, pose threats to food security and inflation stability. Furthermore, the emergence of more restrictive global trade policies, including potential tariff escalations, could limit market access and weigh on export performance. Domestically, delays in the implementation of critical structural reforms risk stalling momentum, underscoring the importance of sustained policy execution and resilience-building measures to support long-term economic stability.

[1] *Statistics South Africa and 2024 MTBPS*

Table 1: Macroeconomic projections (2025 Budget Overview)

Percentage change	2023	2024	2025	2026	2027
	Actual		Estimate	Forecast	
Final household consumption	0,7	1,0	1,8	1,4	1,8
Final government consumption	1,9	0,4	2,7	1,4	0,0
Gross fixed-capital formation	3,9	-3,7	3,2	4,2	4,2
Gross domestic expenditure	0,8	-0,7	2,0	2,3	2,0
Exports	3,7	-2,0	0,4	1,4	3,1
Imports	3,9	-6,3	2,8	3,7	3,3
Real GDP growth	**0,7**	**0,6**	**1,4**	**1,6**	**1,8**
GDP inflation	4,8	3,8	4,4	4,4	4,5
GDP at current prices (R billion)	**7 024,0**	**7 336,2**	**7 760,3**	**8 235,3**	**8 761,3**
CPI inflation	6,0	4,4	3,7	4,2	4,3
Current account balance (% of GDP)	-1,6	-0,6	-0,7	-1,1	-1,3

Labour market dynamics

The labour market continues to exhibit severe structural challenges, remaining above 30 per cent during the year under review. This persistently high rate of unemployment reflects the low level of economic growth. Nonetheless, public employment programmes such as the EPWP and the presidential youth employment initiative have contributed to marginal improvements. Over the medium term, addressing systemic barriers – poor educational outcomes, spatial legacies and limited industrial dynamism – will be crucial for sustainable job creation.

Fiscal policy landscape

The COVID-19 pandemic significantly strained public resources, leading to an unprecedented expansion of the budget deficit and a sharp increase in the level of debt. The combination of escalating global monetary policy rates and inflationary pressures, thereafter, resulted in a rise in average weighted funding costs. Government debt as a percentage of GDP rose to 76.9 per cent in 2024/25 and is forecast to rise marginally more before beginning to decline, while debt service costs rose to 21.3 per cent of revenue in 2024/25.

Government has re-emphasised its unwavering commitment to fiscal sustainability and economic resilience. A notable milestone was the achievement of a primary budget surplus in 2023/24 – the first in 15 years – highlighting the success of ongoing fiscal consolidation efforts. This achievement was repeated in 2024/25.

Social protection remains a cornerstone of government spending, with more than 60 per cent of consolidated non-interest expenditure allocated to the social wage. This reflects the administration's commitment to reducing inequality, supporting vulnerable populations and fostering social stability.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

Infrastructure investment has been another key focus, with payments for capital assets exceeding R116 billion in 2024/25. The growth in this line item underscores government's determination to drive economic growth, create jobs and modernise public infrastructure, positioning the country for sustained long-term development.

Government remains committed to its strategy to support the economy, stabilise the public finances and protect the social wage. Its strategy for economic growth and development is built on four key pillars:

1. **Providing a stable macroeconomic framework to support growth**

A sound macroeconomic framework promotes stable prices and lower interest rates, and manages macroeconomic imbalances, enhancing the economy's resilience to external shocks, which tend to disproportionately affect the poor and vulnerable. This pillar focuses on stabilising debt and debt-service costs, anchored by a debt-stabilising primary budget surplus over the medium term. Capital investment is prioritised to grow faster than consumption expenditure, driving infrastructure development, stimulating economic activity and supporting long-term growth.

2. **Implementing reforms to enhance economic competitiveness**

Key reforms are being implemented, particularly in network industries such as energy and logistics, through Operation Vulindlela. The next phase of reforms will include local government, infrastructure and social services to unlock employment opportunities and drive investment. The government is also prioritising green economy initiatives, with a focus on renewable energy projects such as wind, solar and battery storage to promote both growth and job creation.

3. **Strengthening the state's capability to deliver essential services**

This pillar emphasises improving public sector service delivery in critical areas such as electricity and crime prevention. The digital transformation of government services is under way to enhance efficiency and scale service delivery. Initiatives include addressing excessive wage bill pressures through early retirement proposals, reforming disaster financing to streamline relief grants, and restructuring the fragmented public employment and active labour market support ecosystem to improve coordination and impact.

4. **Delivering quality infrastructure to support economic growth**

Private sector involvement in infrastructure development is being scaled up to drive growth. Initiatives such as the BFI, which has allocated R37.6 billion, and the Infrastructure Fund, supporting projects worth R57.8 billion, are mobilising private resources. Infrastructure budgets for energy, transport and water projects are projected to grow by 4.9 per cent over the medium term, with the National Treasury leading efforts to enhance spending efficiency and governance.

Structural reform initiatives

Operation Vulindlela continues to advance structural reforms, achieving significant progress across key sectors. In the energy sector, improved power station performance has eliminated large-scale load shedding since March 2024. The passing of the Electricity Regulation Amendment Bill and the operationalisation of the National Transmission Company of South Africa are pivotal steps towards a competitive energy market. In freight logistics, the implementation of the Economic Regulation of Transport Act (2024) and the integration of private sector participation in rail operations are set to enhance efficiency and reduce costs. Meanwhile, in digital infrastructure, the accelerated rollout of 5G networks and reforms in spectrum allocation are driving down data costs and improving connectivity.

The next phase of Operation Vulindlela will prioritise ongoing reforms while addressing new areas such as local government reform, improving service delivery, tackling spatial inequality and leveraging digital infrastructure. In the energy sector, efforts will focus on expanding the transmission network and ensuring energy security through the national energy crisis committee. For logistics, the national logistics crisis committee will continue implementing the freight logistics roadmap, with Transnet's restructuring facilitating open access to rail infrastructure. In the water sector, institutional reforms will aim to boost investment in water infrastructure, complemented by the establishment of a new agency to manage national water resources.

International engagement

South Africa aims to capitalise on its G20 presidency in 2025 to champion an Africa-focused global agenda, emphasising the continent's priorities in global discussions and ensuring that African perspectives are represented in shaping international policies. The theme for South Africa's G20 presidency is "solidarity, equality, sustainability", which guides the priorities of the working groups in both the sherpa and finance tracks, and informs the high-level deliverables of South Africa's presidency. Examples of key topics already selected include accelerating human capital development in the context of artificial intelligence, migration, technology, education and skills gaps; strengthening multilateral development banks to support the development of poorer countries; and financing climate-resilient infrastructure. South Africa will push for the reform of multilateral institutions, seeking to make global governance systems more inclusive and reflective of the needs of developing countries.

Another priority will be attracting foreign investment into South Africa and the broader region by showcasing the continent's vast economic potential and positioning it as a critical player in the global economy. This effort will involve highlighting investment opportunities in infrastructure, energy, digital technology and manufacturing, all aimed at fostering sustainable growth.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

Alignment with the National Treasury's core mandate and objectives

The National Treasury remains committed to achieving its mandate according to the PFMA, which is to:

- promote government's fiscal policy framework
- coordinate macroeconomic policy and intergovernmental financial relations
- manage the budget preparation process
- facilitate the annual Division of Revenue Act, which provides for the equitable distribution of nationally raised revenue between national, provincial and local government
- monitor the implementation of provincial budgets.

The mandate is further elaborated in the section 5(2) of the MFMA, which entails: monitoring municipal budgets; promoting good budgets and fiscal management by municipalities; promoting good accounting and reporting practices in municipalities; monitoring, supporting and assessing compliance with MFMA prescripts; and investigating any system of financial management and internal control in municipalities and municipal entities. The mandate extends to the issuance of regulations on all aspects of the MFMA, which include investments, borrowing, budgeting, accounting, assets, reporting, competencies, expenditure and cost-containment measures, supply chain management, public-private partnerships, and financial misconduct and criminal procedures, among other things.

During the reporting period, the department worked to ensure an enabling organisational environment to deliver on the key focus areas in its 2024/25 annual performance plan. This included:

- coordinating the national budgeting process
- monitoring and analysing public expenditure and managing future spending growth and fiscal risk
- coordinating fiscal relations between the three spheres of government with emphasis on ensuring sound budgetary planning at the provincial and local levels
- providing advice and input into tax policy, frameworks and legislation, and strengthening financial sector regulation
- conducting research into strategic areas of the economy to better inform the implementation of economic policy

- managing government's annual funding programme by optimally managing public debt, ensuring that government's liquidity requirements are met through effective cash management; and overseeing state-owned companies to enable their achievement of government's policy objectives in a manner that is financially and fiscally sustainable
- strengthening public sector financial management and improving financial management governance and compliance across all spheres of government and in government entities
- managing government's financial systems
- overseeing and improving government's supply management systems and making government procurement more transparent, efficient, effective and economical
- advancing South Africa's national economic interests in the context of reputable international institutions dealing with economic development and facilitating regional and international cooperation
- supporting infrastructure development and economically integrated cities and communities.

Organisational environment: Phase 1 of the organisational review

The National Treasury has conducted an extensive review of its functional organisational structure, which has been approved by the Minister of Finance. Following this, the department's budget programme structure has been revised to reflect the reorganisation of its business units as outlined in the approved organogram.

The department will have 10 branches constituted by various chief directorates performing interrelated functions and responsibilities. The branches are:

- Office of the General Counsel
- Corporate Services
- Tax and Financial Sector Policy
- Economic Policy and International Cooperation
- Budget Office
- Public Finance
- Intergovernmental Relations
- Asset and Liability Management
- Office of the Accountant General
- Chief Procurement Office

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

As part of the reconfiguration, new branches have been established: the Office of the General Counsel and Economic Policy and International Cooperation. The Office of the General Counsel will comprise the following chief directorates:

- Legal Services
- Legislation
- Tax Legislative Drafting
- Public Entities Governance.

The Economic Policy and International Cooperation branch has been established through the merger of the former Economic Policy and International and Regional Economic Policy divisions.

Additionally, the Office of the Director-General has been reconfigured and is constituted of four chief directorates: Strategic Management and Oversight; Risk, Anti-corruption and Integrity Management; Internal Audit Services; and Financial Management.

In compliance with the Treasury Regulation 2.1.2 requirement that the chief financial officer is directly accountable to the accounting officer, the Financial Management chief directorate will report to the Director-General of the National Treasury.

Organisational environment: Phase 2 of the organisational review

Phase 2 will focus on ensuring that the structure is closely aligned with the department's core mandate and strategic priorities. This will involve a rationalisation of functions to eliminate overlaps, improve operational efficiency and ensure a clear distribution of responsibilities. Additionally, it will prioritise strengthening collaboration and coordination among programmes with similar or complementary objectives, to promote the effective and efficient use of National Treasury resources for optimal service delivery and improved overall organisational performance.

Institutional capability plan

In support of the 2025 to 2030 Strategic Plan, the department is committed to becoming a resilient, resourced and performing institution that effectively fulfills its constitutional mandate. This is to ensure that the department has the best capacity and most appropriate capabilities available with the ability to harness innovation, and that these coalesce to support current departmental priorities and prepare early for future institutional needs.

To achieve this, the department will undertake an institutional capability assessment principally using existing plans and studies to develop a five-year institutional capability plan covering the period from 2025 to 2030.

The plan will build on the foundation laid by the medium-term organisational optimisation plan interventions implemented from 2020/21 to 2024/25. The optimisation plan focused on reinforcing institutional capabilities and promoting performance excellence through four strategic pillars:

- Pillar 1: Reviewing and resetting the organisational foundation
- Pillar 2: Building and reinforcing organisational leadership
- Pillar 3: Developing and strengthening organisational structures
- Pillar 4: Establishing and promoting partnerships.

The new functional organisational structure as approved by the Minister of Finance will inform the Institutional Capability Plan by enabling the department to proactively plan for the shared services and human resources required to address current and future demands outlined in the 2025 to 2030 Strategic Plan. Key focal areas of the plan include:

- Human resources
- IT processes and systems
- Financial management
- Communication
- Records management
- Governance and decision-making
- Learning and knowledge management.

Review on the efficiency of programmes

The National Treasury has developed an extensive portfolio of support programmes to help provincial and local governments improve their finances and public financial management and service delivery outcomes. This support is mainly provided through the OAG, Intergovernmental Relations (IGR) and the Office of the Chief Procurement Officer (OCPO), with GTAC serving as an implementing agent on some projects.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

The National Treasury's primary concern is that the existing initiatives are not strategic, organisational and structurally appropriate, effective and efficient. As a result, the department has tasked GTAC with reviewing the appropriateness, effectiveness and efficiency of all National Treasury programmes that provide support to provincial and local government.

A number of reviews have been completed or are under way:

- All provincial and local government support programmes offered by the National Treasury
- Public entity board remuneration
- Infrastructure conditional grants
- Conditional grants
- Active labour market participation programmes.

The National Treasury intends to conduct an evaluation of ICT services, investment and budget to determine:

- their effectiveness – assess how well ICT services support the department to fulfil its mandates and achieve departmental goals and objectives
- value for money and the efficiency of spending – evaluate whether ICT expenditure delivers measurable value; identify potential savings, inefficiencies or overspending; and benchmark against similar policy departments.

Automating performance monitoring and management in programme 1

The Strategic Planning, Monitoring and Evaluation, Enterprise Risk Management, Financial Management, Human Resource Management, Knowledge Management and Internal Audit units will continue with the rollout of the corporate management system. This was developed as an integrated solution to modernise and automate the department's planning, monitoring and reporting ecosystem, known as the organisational performance monitoring and management system. The system integrates risk, organisational performance planning, monitoring and reporting, demand planning, budgeting, and IT planning on a single platform, and links to the audit findings register and the human resources performance management and development system.

Information and communication technology

The implementation of the ICT three-year plan commenced in 2023/24 with the aim of enhancing technology innovation across the department. The ICT governance committee, which comprises a multidisciplinary team from all divisions, oversees the rollout of seven key ICT projects: video conferencing, Microsoft cybersecurity, e-Leave phase 1, the HR online exit form, the OCPO register, the Ministry digital platform and the HEAT voice system.

The ICT unit continued to support the department in delivering its services. This was done by ensuring compliance with ICT service-level agreements for network services, storage servers and availability, operational-level agreements and application availability. It also implemented and maintained enterprise ICT security measures and the business continuity plan. Through the OCPO, the unit continued to support the provision of services to the National Treasury's external stakeholders, including oversight of the CSD. In addition, through the OAG, the ICT unit supported the functionality of government accounting systems.

ICT services continue to enable National Treasury employees to work securely off site as part of the department's rotational working model. Cloud solutions acquired by the unit resulted in multiple benefits, including the ability to access files from any device at any time, and improved collaboration and communication using advanced, secure digital platforms. This ensured better business continuity. Collaboration with external stakeholders was also simplified and made more secure. The use of Microsoft Viva provided employees with better insight into their work environment, time management and wellbeing.

Director-General's engagement with staff

The director-general's engagement with staff is focused on enhancing and fortifying organisational structures by fostering trust, promoting transparency and improving communication channels across all levels in the department. This prompted the ongoing efforts by the director-general's special purpose committee, which was established to address cross-divisional challenges, strengthen interdepartmental collaboration and create a cohesive and responsive organisational culture. These efforts were intended to enhance engagement between executive management and staff and included surveys and discussion sessions. Through these engagements, the committee identified targeted interventions in seven key areas:

- values and ethics
- policies
- working conditions
- facilities and security
- development
- inclusivity
- campaigns.

New office accommodation

The department has honoured its commitment to upgrade office accommodation, successfully vacating the 240 Madiba Street building in record time during the critical budget preparation and financial year-end period. The National Treasury will soon relocate to new office accommodation as part of its ongoing efforts to improve operational efficiency and reduce overheads. The move is expected to generate significant savings through lower rental charges and service fees, reinforcing the department's commitment to prudent financial management while providing staff with a functional and modern working environment. The Department of Public Works and Infrastructure has finalised the lease on the new offices at 41 Matroosberg Street, Ashley Gardens, Pretoria, and the process to take occupation has commenced.

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 2024/25:

1. Public Procurement Act (2024)

Regulates public procurement and prescribes a framework within which preferential procurement must be implemented.

2. Pension Funds Amendment Act (2024)

Amends the Pension Funds Act (1956), the Post and Telecommunications-related Matters Act (1958), the Transnet Pension Fund Act (1990) and Government Employees Pension Law (1996) so as to provide for: the introduction of the savings withdrawal benefit; the appropriate accounting of a member's interest in savings, retirement and vested components; and deductions that may be made.

3. Global Minimum Tax Act (2024)

Provides for the introduction of global anti-base erosion rules in South Africa and to provide for the imposition of top-up tax.

4. Global Minimum Tax Administration Act (2024)

Provides for the administration of the Global Minimum Tax Act (2024).

2024/25

NATIONAL TREASURY

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PART B
PERFORMANCE INFORMATION

INSTITUTIONAL **IMPACTS AND OUTCOMES**

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
Programme 1: Administration 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** **Human resources management** The human resources management unit needs to be agile in its practices. This includes making policy changes and embedding some of the reimagined ways of working based on the lessons learnt from the COVID-19 pandemic. This reimagined approach is seen to attract and retain key talent. Self-service initiatives such as e-Recruitment, automated performance management processes and e-Leave continued to advance improvements that contribute to a high-performance culture. In 2024/25, 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. 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. 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. **ICT** The ICT unit implemented various technologies to facilitate hybrid work for officials. These included automated memorandums, digital signatures, MS OneDrive, MS Teams and MS Exchange Online. These tools were invaluable in ensuring seamless operations from anywhere. Further enhancements were added to MS Teams to allow users to make external telephone calls, with the view to ultimately replace traditional telephones. To enhance productivity and capitalise on lessons learnt from the COVID-19 pandemic, 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. The unit also migrated knowledge management artefacts to a new platform called Visual Paradigm. **Knowledge management** The knowledge management unit continued to develop the integrated

03 INSTITUTIONAL IMPACTS AND OUTCOMES

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	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. **Records management** The records management unit continued to provide support to the National Treasury, GTAC and the CBDA to comply with the National Archives and Records Service of South Africa Act (1996). The records management policy was updated in compliance with the PAIA. Requests for records in terms of the act were facilitated in collaboration with the knowledge management unit and the Promotion of Access to Information Act (2000) (PAIA) manuals were translated into three official languages. Arrangements were put in place to ensure that National Treasury records are kept safe during the department's relocation from 240 Madiba Street in central Pretoria. Non-records were disposed of in line with the National Archives and Records Service of South Africa Act (1996). **Security management** 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 quarterly to ensure that the National Treasury monitors 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 levels 1 and 2, firefighting, hazard identification and risk assessment, safety, health and environmental processes. The vetting of employees continued in accordance with levels of access to sensitive state information. Compliance with the vetting prescripts was 98 per cent for the period under review. Over the same period, personnel suitability checks were conducted on all prospective candidates. All contractors who rendered services on behalf of the National Treasury were screened. In conjunction with law enforcement agencies, stringent security measures were in place to safeguard the G20 ministerial and working group meetings; and national budget information, including the Budget Speech and MTBPS, prior to their release. **Facilities management**

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	In 2024/25, measures were in place to ensure that the physical environment remained conducive to productivity, safety and long-term sustainability. The department sustained the functionality, comfort and operational efficiency of its existing facilities and infrastructure, notwithstanding persistent challenges. Concurrently, the process of securing alternate accommodation for the National Treasury, which was facilitated through the Department of Public Works and Infrastructure, advanced substantially. The relocation project reached an advanced phase during the period under review: the premises at 240 Madiba Street in central Pretoria was vacated, a lease agreement for temporary accommodation was concluded, and preparatory activities for occupation were in progress. 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 were ongoing. These discussions were expected to conclude in early 2025/26. **Office of the Director-General** **Risk management** 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. 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. 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. **Internal audit** 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.

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OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	Accordingly, 22 internal audit assignments were approved and planned for in the revised audit plan for the year under review. 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. **Strategic planning, monitoring and evaluation** The strategic planning, monitoring and evaluation unit continued to advance its efforts to strengthen the department's planning and monitoring functions. 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. The 2020-2025 mid-term report was consolidated and submitted to the Department of Planning, Monitoring and Evaluation as required. 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. 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. 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. **Communications** 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.

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	Legal services 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. **Legislation** 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 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: • Developing tax policy proposals and supporting tax legislation for the annual budget • Monitoring the collection of revenue through ongoing consultation with relevant stakeholders and analysing the factors determining tax collection • Providing macroeconomic forecasts and scenario modelling. • Providing economic policy	**Economic Policy** 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. During the reporting period, the division: • Analysed and monitored the monetary and exchange rate policies and framework to support competitiveness, price stability and economic growth • Analysed and monitored macroeconomic variables and the policy framework to support sustainable economic growth • Analysed South Africa's prevailing labour market landscape • Analysed submissions from the International Trade Administration Commission • Provided input into key policy processes, including actions taken towards reforming the electricity sector and facilitating a just transition in the energy sector • Provided technical support to Operation Vulindlela to accelerate the implementation of structural reforms. 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

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OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
analysis, research, assessment and advice on macro and microeconomics, including government policy proposals.	structural reform priorities. **Tax and Financial Policy Sector** The 2024 Budget included tax proposals prepared by the division and approved by the Minister of Finance. The proposals included tax increases of R15 billion in 2024/25 to alleviate immediate fiscal pressure and support faster debt stabilisation. These were included in chapter 4 of the Budget Review, along with numerous technical tax proposals in annexure C. The division prepared and published the necessary tax legislation to give effect to these proposals. The tax bills for the 2024 Budget were tabled and adopted by Parliament and enacted after consultation and engagements with the standing and select committees on finance. Key reforms enacted during 2024 included the two-pot retirement system, with the aim of improving household savings, implemented from 1 September 2024. The Global Minimum Tax Act (2024) was enacted, ensuring that any multinational company with annual revenue of more than €750 million pays a top-up tax to SARS if their effective tax rate in South Africa is less than 15 per cent. The division also monitored revenue collected by SARS throughout the year. The division published policy discussion documents related to proposed reforms to taxation on alcohol and collective investment schemes, as well as the second phase of the carbon tax. After the publication of the policy position statement, titled “A Simpler, Stronger Financial Sector Ombud System”, the Ombud Council granted recognition, effective 1 March 2024, to the National Financial Ombud Scheme as an industry ombud scheme under the Financial Sector Regulation Act (2017). The National Financial Ombud Scheme is a result of the amalgamation of four industry schemes: the Credit Ombud Association, the Ombudsman for Banking Services, the Ombudsman for Long-term Insurance and the Ombudsman for Short-term Insurance. The commencement of the Financial Sector and Deposit Insurance Levies Act (2022) on 1 April 2023, which provides for the imposition of levies on supervised entities to fund financial sector bodies (the Financial Services Tribunal, the Ombud Council, the Office of the Pension Funds Adjudicator and the FAIS Ombud), including the listing of some of the financial sector bodies in terms of the PFMA, resulted in the supervisory bodies operating independently from the FSCA. 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 was in response to South Africa being grey-listed by the FATF in February 2023 regarding weaknesses in its anti-money laundering and combating the financing of terrorism. As at 31 March 2025, South Africa was deemed to have

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	addressed or largely addressed 20 of the 22 action items in its action plan to be removed from the grey list. The remaining items were to be addressed by June 2025 and delisting was expected in October 2025. Working with participating commercial banks and SARB, the division continued implementing the energy bounce-back loan guarantee scheme, an initiative meant to support small businesses and households facing challenges that arise from unreliable power supply and/or load shedding. During period under review, the division assisted SARB with establishing the Corporation for Deposit Insurance, which became operational on 1 April 2024. The corporation, a wholly owned subsidiary of SARB, is responsible for managing South Africa's Deposit Insurance Fund, whose role is to enable bank depositors to have access, up to a stipulated limit, to their deposits should their banking institution fail. Along with SARB, the Prudential Authority and the FSCA, the division continued working on a draft Financial Markets Amendment Bill, which proposes revisions to the Financial Markets Act (2012) so as to advance domestic capital markets by updating and aligning the legislative framework with international standards. Once in effect, the law is expected to enable new forms of financial market activities and products, and support broader market participation. The draft amendment bill incorporates key recommendations from the National Treasury's 2020 policy paper titled "Building Competitive Financial Markets for Innovation and Growth: A Work Programme for Structural Reforms to South Africa's Financial Markets". The division continued working with SARB to develop a new capital flows management framework that aims to make it easier for foreign investors to invest in South Africa and support South Africa's growth as an investment and financial hub for Africa. Accordingly, the division and SARB worked on new capital flow management regulations that will be made in terms of the Currency and Exchanges Act (1933) once they are finalised.
Programme 3: Public Finance and Budget Management 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: • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial	**Budget Office** The BFI is a multidisciplinary facility that appraises, evaluates and links large infrastructure projects to the budget process. It brings together government experts to assess the technical feasibility and readiness of projects to support quality public investment through improved planning, budgeting and execution. The facility has had eight funding windows, with R52.9 billion allocated in windows 6 to 8. It is being reconfigured to run multiple windows per year, with quarterly evaluations. While the same appraisal methodology will be used, financing decisions will be separated from the budget to allow for more effective mechanisms such as guarantees, appropriations or PPPs. The reconfigured system was piloted in the 2025 Budget for the eighth window, which approved projects such as the Olifants bulk water infrastructure, the Siloam district hospital and the City of Johannesburg's

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OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
relations and expenditure planning and priorities • Managing the annual budget process and providing public finance management support.	waste-to-energy PPP. Treasury approvals and Treasury views and recommendations were granted for PPPs across the national, provincial and municipal spheres. Notable PPP projects that were approved include the National Archives and the accommodation precinct for the Council for Scientific and Industrial Research. In terms of regulatory reform, amendments were drafted to National Treasury Regulation 16, which were issued on 7 February 2025, and Municipal PPP Regulation 309. The Infrastructure Fund's role is to maximise the contribution of private-sector investors in blended finance projects while facilitating early financial closure. The Fund has made significant progress since its inception in supporting the financing of infrastructure projects. Since 2021, it has helped package and finance 26 blended finance projects and programmes, with a capital value of R101.6 billion across the water and sanitation, human settlements, student accommodation, transportation, health and municipal energy sectors. Following more than a decade of low growth, South Africa confronts difficult fiscal choices. Government's gross loan debt as a percentage of GDP is at its highest point since 1947. Rapid growth in debt-service costs chokes the economy and public finances. Government's balanced medium-term fiscal strategy outlined in the 2025 Budget aims to stabilise public finances and reduce fiscal and economic risks while promoting economic growth and supporting the most vulnerable members of society. By reducing borrowing over the 2024 MTEF period using a portion of valuation gains in the gold and foreign exchange contingency reserve account, government mitigated fiscal risks and recorded a primary surplus in 2024/25. It is projected to maintain and grow this surplus over the medium term, helping to reduce debt-service costs, narrow the budget deficit and stabilise debt in 2025/26. The debt-stabilising primary budget surplus is expected to anchor fiscal policy over the medium term. Work is under way for government, after extensive consultation, to propose a binding fiscal anchor to chart a sustainable long-term path for public finances. **Intergovernmental Relations** 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. 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.

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	Upon completion of the portfolio of evidence, which will be evaluated by the authority, the officials will receive accreditation for the unit standards attended. 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. 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. 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. 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. 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

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OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	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. 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. 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. 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 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.

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	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. 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. 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. 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. 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. 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. 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

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	the intergovernmental fiscal framework. Below is a summary of the key reforms: **Provincial government reforms:** 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. **Local government reforms:** Cooperative governance: The municipal systems improvement grant was incorporated into the Department of Cooperative Governance's baseline to enhance flexibility and effectiveness. 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. 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. 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. 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. 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 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. The National Treasury continues to help underperforming municipalities

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	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. 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. 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 2024/25 and determined that 16 of the 17 non-delegated municipalities were funded. 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

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	oversight and serves as an early warning mechanism for the need to improve municipal performance. 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. 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. 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. 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. 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

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	'watertight' so that municipal customers do not find loopholes for leniency. Technical advisers also support municipalities with management letters and auditor-general reports. 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. 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. **Public Finance** 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 government spending, and assist departments and their entities with financial management.
Programme 4: Asset and Liability Management The programme manages government's annual funding programme in a manner that ensures	**Asset and Liability Management** To improve transparency, a new measure that was put in place during the year under review 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.

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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.	Five new guarantees were issued by the Minister of Finance during 2024/25: R25.5 billion to the TCTA for the Berg River-Voëlvlei Augmentation Scheme and Umkhomazi Water projects to improve water security in Western Cape, and eThekwini and Msunduzi regions; and R27.4 billion to the Department of Mineral Resources 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, TCTA, South African Airways and Transnet, and provided quarterly reports on compliance with guarantee conditions. 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 banks have met their regulatory minimum requirements for liquidity and capital adequacy, indicating their ability to meet obligations to creditors and government under stressed conditions. The division continued to review all corporate plans and annual reports from major SOEs, development finance institutions and water boards that were submitted within the PFMA-stipulated deadlines. The analysis formed the basis for reporting in the Budget Review and MTBPS, which deliberated fiscal risks and informed stakeholders about these SOEs' performance over the reporting period. Since April 2020, the Land Bank has been negotiating with its lenders to rectify its default status through a liability solution process. In September 2024, the bank entered into an agreement with the lenders and has since begun implementing the liability solution as the default position has been cured. As such, in 2024/25, the bank begun submitting its corporate plan as required in terms of the PFMA as the exemption has been withdrawn. During the reporting period, borrowing authorisation and related limit applications, as well as foreign currency borrowing limit applications from Eskom, Rand Water, the Industrial Development Corporation and TCTA were considered. The stock of government debt increased from R5.3 trillion in March 2024 to R5.6 trillion in March 2025, while strategic risk benchmark indicators remained within recommended limits. The aggregated weighted cost of funding (monthly issuances) amounted to 8.34 per cent. The cost of funding comprises fixed-rate bonds, which contributed 11.05 per cent; inflation-linked bonds, which contributed 4.87 per cent; floating-rate notes, which contributed 8.87 per cent; and Treasury bills, which contributed 7.91 per cent.

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	Government successfully financed its gross borrowing requirement of R408.8 billion. This was funded through net issuance of domestic short-term loans (R39.5 billion), domestic long-term loans (R347.7 billion) and foreign loans of R67.4 billion (equivalent to US$3.7 billion). In addition, cash and other balances increased by R45.8 billion. During the reporting period, R85.6 billion (cash) of short-dated bonds were exchanged for long-dated bonds. The cost of servicing government debt amounted to R385.8 billion in 2024/25, lower than the revised estimate in the 2025 Budget by approximately R3.7 billion. During the reporting period, domestic and foreign loans of R98.5 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 This programme comprises two divisions: The Office of the Accountant-General (OAG) and the Office of the Chief Procurement Officer (OCPO). 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. 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:	**Office of the Accountant-General** 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. The process of reviewing the PFMA and the MFMA continued into 2024/25, and the amendment bills are in their final stages of development. The amendments relate to revised instructions on measures pertaining to cost containment. The 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. 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. 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. An annual report for 2023/24, covering areas including compliance regarding the payment of suppliers, reasons for late and/or noncompliance and interventions by the National Treasury to improve the status of compliance by national and provincial departments, was published on the department's website to for stakeholders to access. The OAG developed a progress report on PFMA institutions' improvement

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The appointment of suitably qualified financial officials • Growing the internship programme for graduates to be absorbed in municipalities; • Implementing budget reforms; • improving supply chain management; • Addressing shortcomings in revenue management; • Strictly implementing controls in expenditure management; • Developing asset management plans that also address their repair and maintenance of assets; • Producing accurate accounting records; • Assisting in achieving auditing compliance and in producing reports that are reliable and of a quality; and • Supporting the training of officials to meet the minimum competencies. The OCPO aims to: • Modernise the state procurement system to be fair, equitable transparent, competitive and cost effective; • Enable the efficient, economic effective and transparent utilisation of financial and other resources, including state assets, for improved service delivery; and • Promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources.	of financial management and compliance. 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; and information on the summary of initiatives undertaken by the OAG to support PFMA institutions. The OAG developed a report on audit outcomes and tabling information on annual reports and AFS for the 2023/24. It also maintained stakeholder engagements with professional bodies to build synergies on financial management trends. A separate webpage on the modified cash standard was made available to allow practitioners to gain a high-level understanding of the requirements of each chapter and access useful supporting documentation. Ongoing support was offered to departments during the audit cycle through responses to queries, engagements with the AGSA and the issuing of frequently asked questions (FAQs) for quick reference. Technical support was rendered to national, provincial and local government institutions in accounting, risk management and internal audit. Information-sharing platforms were used to disseminate information on new initiatives, creating opportunities for interaction with peers and providing guidance where necessary. Such sessions were convened to discuss the revised global internal audit standards, and new internal audit and risk management initiatives. Audit committees were supported through the public sector audit committee forum, the induction of new audit committees, the attendance of audit committee meetings as observers and advisers, and the provision of responses to queries on the application of legislative prescripts. Risk management committees received support on their functions in embedding risk management practices in line with the public sector risk management framework. State-of-readiness reviews were conducted to determine the effectiveness of the internal audit functions and measure the quality of work performed within them. Surveys were conducted on the status of internal audit and audit committees in PFMA and MFMA institutions, focusing on areas such as institutional arrangements, quality control, and the resourcing of internal audit units and audit committees. 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. Relations with the AGSA were strengthened to support internal auditors and audit committees to resolve audit findings related to internal audit and audit committees.

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	The OAG monitored and reported on national revenue and expenditure information through monthly reports published in terms of section 32 of the PFMA. Initiatives to support national departments, entities, municipalities and provincial treasuries with accounting and reporting queries continued throughout the financial year. The OAG assisted these institutions with improving their audit outcomes, including reviewing, monitoring and providing feedback on their AFS preparation and audit action plans. Chief financial officer forums were hosted for the national and local government spheres, which facilitated peer learning and the sharing of experiences by financial practitioners on the operational impacts related to coordination, communication and the implementation of financial management and governance reforms. Capacity building in public financial management is critical to ameliorate the skills deficit. To this end, the OAG has put in place several capacity-building interventions, including the Chartered Accountants Academy, which provides an avenue for prospective chartered accountants to receive training. In addition, several donor-funded initiatives were implemented to improve financial management in provincial treasuries and municipalities in various provinces. Proposals were developed and submitted to development partners to mobilise additional resources. Through the financial management grant, support was provided to municipalities to ensure compliance with the municipal regulations on minimum competency. In addition, monitoring and support was provided to skills development practitioners and chief financial officers to ensure that the municipal finance management internship programme, which is a tool for providing a talent pipeline, operates in line with guidelines issued by the National Treasury. The OAG provided support and advisory services on violations of the PFMA and MFMA to law enforcement agencies in their criminal investigations. The National Treasury launched and rolled out the Muni eMonitor system to strengthen the capacity and capability of municipalities and municipal entities to comply with the provisions of the MFMA and its regulations, improve information flows for public accountability, and enhance monitoring, oversight, support measures and effective reporting by various stakeholders in municipalities, municipal entities, provincial treasuries and the National Treasury. Numerous capacity-building sessions were undertaken with various stakeholders, and Muni eMonitor champions were identified in every municipality and provincial treasury. The National Treasury is also in the final stages of producing an MFMA compliance report for the 2023/24 municipal financial year. The primary source of the data contained in the report is based on information submitted by municipalities on the Muni eMonitor system. The objective of the compliance report is to provide the consolidated status of MFMA

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	compliance and implementation across all provinces. The report will be finalised and published subject to the minister's approval. 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. 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. **Office of the Chief Procurement Officer** The Public Procurement Act (2024) was approved by the president and gazetted 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 of 31 March 2025, regulations pertaining to the act were being developed for promulgation during the 2025/26. The act will come into effect on a date to be determined by the president by proclamation in the Government Gazette. During the reporting period, the office conducted a risk assessment maturity model survey, which resulted in the development of the compliance risk assessment and monitoring tool, which is intended to be an early warning mechanism for institutions. The tool is designed to detect SCM risk and assess the SCM maturity level of institutions in all spheres of government. It is also envisaged that the tool will assist in reducing irregular expenditure and adverse audit findings due to its proactive approach. By the end of the reporting period, project development was in its final stages, with rollout expected in 2025/26. A draft framework for the professionalisation of SCM in the public service was developed. Once adopted, the framework is expected to lead to an implementation roadmap in the coming year. The draft framework comprises four pillars – institutional, organisational, individual and stakeholders – and will form the basis of the framework once finalised. The OCPO continued to promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources through roadshows, site visits and workshops on SCM-related matters in all spheres of government. These included non-delegated municipalities and SOEs, where support was conducted either physically or virtually to save costs. In 2024/25, approximately 12 000 state officials attended the virtual sessions on SCM bid committee workshops. The office participated in the national crisis logistics committee for the Transnet turnaround strategy and Eskom action plan.

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	The strategic procurement framework and good practice guides were published in a web-based format. The framework will help institutions apply the latest SCM best practices, industry trends and the procurement legislative regimes when developing strategies for sourcing. The institutionalisation of the strategic procurement framework was initiated in 2024/25 with 44 awareness webinars and practical training sessions for national and provincial departments. In addition, a specification library was developed and published on the eTenders portal, which hosts more than 1 000 specifications that were developed across various commodity categories. The library is expected to grow. Concept papers were developed on value for money in the procurement cycle, the procurement of innovation, green/sustainable procurement and various procurement methods that are not commonly understood and are applied differently by institutions. The concept papers will be further developed once the public procurement regulations are issued. The CSD continues to simplify and strengthen the accessibility of doing business with the state. By the end of 2024/25, there were 939 237 registered suppliers, of which 332 515 were women-owned, 256 961 were youth-owned and 8 885 were owned by people with disabilities. During the reporting period, the platform had multiple improvements, including integration with the Private Security Industry Regulatory Agency (PSIRA) for the verification of security accreditation, beneficial ownership for companies owned by natural persons and proof of addresses. The proof of address improvements refers to addresses of prospective suppliers. PSIRA verification is a new feature that enables the verification of a security company's accreditation. The eTenders portal was also improved by including simplified tender publication 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 submissions. The OCPO published all procurement plans that were reported to the National Treasury. During the reporting period, the unit maintained its commitment to institutional support and engagement through SCM forums, targeting SOEs, national departments and provincial treasuries. These forums served as platforms for constructive dialogue on the challenges identified in the methodology for assessing procurement systems project, an initiative led by the OECD and World Bank. Through these engagements (three per quarter with national and provincial treasuries, and SOEs), stakeholders were able to explore strategic responses and collaborative solutions to enhance procurement efficiency and compliance.

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	In addition to its institutional engagements, the unit continued its academic collaboration with the Vaal University of Technology. This partnership involved guest lecturing for students at multiple academic levels, ranging from first-year undergraduate cohorts to postgraduate candidates. A comprehensive review of the university's existing curriculum in public procurement was undertaken to ensure alignment with contemporary industry standards and best practices. This review also informed the planned introduction of a specialised qualification in public procurement, which was scheduled for implementation in the next academic year. The office collaborated with the National School of Government for a comprehensive review of financial management modules in the South African economic landscape. This initiative focused on local governance and strategic financial leadership, aiming to advance fiscal excellence in the public sector. The collaborative effort also evaluated the school's chief financial officer module, specifically examining strategic financial leadership in navigating fiscal excellence within the public sector.
Programme 6: International Financial Relations 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** The division ensured that the budgets of the AU commission and SACU for 2025/26 are affordable and aligned with fiscal conditions in member states. South Africa will continue its F15 membership, allowing it to provide oversight on the AU's budget and financial expenditure. F15 members successfully negotiated the AU new scale of assessment for 2024 to 2026. As a result, South Africa's contributions to the AU will remain at 7.5 per cent of the AU's budget for the next three years, resulting in a decrease from US$19 million in 2024/25 to US$15 million for 2025/26. This aligns with South Africa's ongoing fiscal consolidation efforts. South Africa was set to take over the chairship of SACU in July 2025, including its 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 conditions of service and guidelines for the appointment of senior executives, including the executive secretary, strengthened appointment processes. The division supported the Minister of Finance's participation in the selection process for the SADC committee of ministers of finance and investment towards a regional candidate for the position of president of the African Development Bank. It also continued to play an oversight role at the finance committee responsible for finalising the budget of the SADC Secretariat. At the senior official level, the division continued to engage and influence the operationalisation the SADC Regional Development Fund. The programme facilitated the finalisation of a memorandum of commitment between the Africa Regional Technical Assistance Centre

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	and South Africa for the period 2023 to 2027. The Minister of Finance, as the chair of the board of governors of the New Development Bank, guided South Africa's exceptional hosting of the bank's ninth Board of Governors annual meeting held in Cape Town from 28 August to 1 September 2024. The theme was, "investing in a sustainable future". More than 600 delegates from the Brazil-Russia-India-China and South Africa (BRICS) group of countries attended the event. Two key highlights for the National Treasury were the signing of a R5 billion loan facility for Transnet and the approval of US$1 billion in funding for a water and sanitation project through the municipal infrastructure grant. South Africa assumed the G20 presidency on 1 December 2024 under the theme, "solidarity, equality and sustainability". It is the first African country to preside over the G20 since the forum was elevated to leaders or heads of state in 2008. South Africa's presidency maintains a strong focus on the challenges facing emerging markets and developing countries, especially in Africa. To give effect to this focus, South Africa is advocating that the G20 commits to increasing its efforts to implement the G20 common framework for debt treatments, as well as reviewing impediments to growth and development in Africa. This work focuses on strengthening institutions and addressing macroeconomic vulnerabilities, infrastructure development and the cost of capital. To magnify the impact of the IMF's general special drawing rights allocation of US$650 billion in August 2021, South Africa has been advocating that countries with strong external positions voluntarily channel a share of their allocations to help vulnerable low-income and middle-income countries. In this regard, during the period under review, South Africa supported the global ambition to reallocate the US$100 billion in special drawing rights allocations to vulnerable countries. This ambition has now been met. The African Development Bank is implementing the 2023 to 2028 country strategy paper, which underpins its collaboration with South Africa. As at 31 March 2025, the bank's active portfolio in South Africa consisted of 16 operations with a total value of US$4.3 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. The country partnership framework for 2022 to 2026 between South Africa and the World Bank Group has delivered four projects financed by the International Bank for Reconstruction and Development valued at US$2.7 billion over the 2022 to 2026 period. Support has deepened in various sectors, focusing on macro-fiscal stability and structural reforms, particularly in the energy and transport sectors and at the subnational level, enhancing service delivery. As at 31 December 2024, South Africa's financing portfolio and operational

03 INSTITUTIONAL IMPACTS AND OUTCOMES

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
	footprint with the International Bank for Reconstruction and Development had net commitments of US$1.4 billion, which comprised two active projects. The International Finance Corporation's portfolio in South Africa increased to $4.2 billion as at 31 March 2025, surpassing its US$3.4 billion five-year target for the 2022 to 2026 country partnership framework. The increase has mainly been in sustainable and inclusive finance, municipal finance, housing and health. The financing instruments comprised debt (loan and quasi-loan), equity and guarantees. 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. Being one of the only African donors to the International Development Association enables South Africa to influence its strategic focus to ensure that the association's fund is geared towards meeting the needs of low-income African countries. This resulted in securing a historic commitment of up to US$100 billion for the 21st replenishment of the International Development Association for the period July 2025 to June 2028 and retaining key priorities such as job creation and private sector development as priority areas. Through consistent lobbying, South Africa has played an instrumental role in convincing other African countries to contribute towards the association's fund, thereby increasing Africa's voice and influence in discussions. The National Treasury represented South Africa in the finance track meetings of the United Nations framework convention on climate change during the period under review. This forum considers a range of issues, including providing strategic direction to the framework's vertical climate funds, negotiations on the new collective quantified goal for climate finance and the Sharm el-Sheikh dialogue on article 2.1.c of the Paris Agreement. 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 to profile itself as an investment destination.
Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits This programme provides for the processing and payment of pensions to members and their dependents in	**Civil and Military Pensions, Contributions to Funds and Other Benefits** All targets were achieved during the reporting period, and three were exceeded. • 100 per cent of benefits paid within the liability date against a targeted 99 per cent

OUTCOME	ACHIEVEMENT TOWARDS FIVE-YEAR TARGETS
terms of various statutes, collective bargaining agreements and other commitments.	• 100 per cent fewer fraudulent benefit claims prevented from materialising against a targeted 98.5 per cent • 99.99 per cent data integrity against a targeted 99 per cent. This high performance is attributed to the continual monitoring of production statistics and the effective administration of benefits.

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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 minister, the Minister of Finance is also responsible for policy matters and departmental outcomes.

This subprogramme supports the minister and deputy minister by providing executive and administrative services. The subprogramme 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 subprogramme 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 the 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.

04 PERFORMANCE INFORMATION BY PROGRAMME

Enterprise Risk Management improves organisational risk communication and knowledge sharing, developing a common risk language that ensures a risk management culture is embedded in the National Treasury. The unit supports evidence-based decision-making by reducing uncertainty. This is realised by providing a holistic view of risk and the application of a robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that the 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 the National Treasury, including facilitating the department's short-, medium- and long-term strategic planning processes and ensuring that plans are aligned with 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 the National Treasury to carry out its mandate effectively within the law.

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

Communication furthers National Treasury transparency imperatives by ensuring effective communication between the National Treasury and its stakeholders.

Corporate Services

Corporate Services delivers and oversees shared services in alignment with the 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 transactional and transformational human resources support so that the National Treasury can attract, develop and retain the skills needed to deliver on the department's mandate and objectives.

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

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 National Treasury's 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).

Public Entities Oversight unit ensures that entities reporting to the Minister of Finance are compliant with relevant governance and reporting requirements and reports progress made in this regard to the Minister of Finance.

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

04 PERFORMANCE INFORMATION BY PROGRAMME

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 decreased from 15.9 per cent in 2023/24 to 11.5 per cent in 2024/25. This was due to the reprioritisation of filling positions as a result of the directive issued by the Department of Public Service and Administration. Effective 1 October 2023, the directive instructs 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 staff turnover rate for the period under review was 8.1 per cent, compared with 7.6 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 graduate development programme is a key enabler for investment in retaining talent. It is a cornerstone of the initiatives delivered by the department to foster the next generation of leaders, along with the external bursary scheme and the Chartered Accountants Academy. Professionally, for the beneficiaries, this marks the start of a journey towards gaining practical work experience that complements studies and professional growth.

The unit ensures continual engagement in various skills development initiatives, including the bursary programme and other human capital development strategies to address ongoing skills requirements, and build and maintain the talent pipeline. 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, and allowing for these skills to mature and

address the department's managerial leadership needs. This was realised in 2023/24 through appointing Stellenbosch University to provide customised leadership and management development programmes for officials who occupy management positions from levels 9 to 16. These programmes seek to address employees' career progression and ensure a structured way of building a leadership pipeline for the department. Programmes offered include women in leadership and negotiating skills. 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 supporting training for employees that is aligned with their individual development plans. This is reflected in the training budget spent on employees.

As at 31 March 2025, a total of 528 women were employed permanently at the National Treasury, of whom 136 occupy positions in 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 2025, 56.8 per cent of the National Treasury's SMS employees were women, reflecting a balanced gender distribution throughout the organisation. In addition, 0.97 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 held the annual women's management meeting on the 28 August 2024, which formed part of the discussion of the eight principle action plan for the advocacy on gender equality and women empowerment. To commemorate Women's Month, events were held in August 2024 that centred on topics such as career growth and mentorship, work-life integration and financial inclusion. In the same month, a webinar was hosted under the theme, "Celebrating 30 years of democracy: Towards women's development". A Women's Day picnic was also organised that aimed to raise awareness on self-care and relaxation techniques.

From 25 September to 8 October 2024, National Treasury employees were part of focus groups that dealt with anti-bullying and harassment in the workplace. During the period under review, the National Treasury conducted quarterly awareness initiatives to address gender-based violence and femicide (GBVF) in line with the national strategic plan on GBVF.

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.

04 PERFORMANCE INFORMATION BY PROGRAMME

Knowledge management

The institutionalisation of the Ndzhaka ("inheritance") project was facilitated with the securing of an implementation partnership with GTAC. This innovative knowledge-harvesting initiative aimed to capture and preserve the institutional memory of the organisation's cornerstone institutional reforms through academic papers and first-hand oracle recordings. The development of the National Treasury's integrated knowledge and information management system was coordinated during the period under review, with financial support from the Swiss State Secretariat for Economic Affairs. Work continued on documenting the National Treasury's core business processes as part of the organisational review project and to provide business analysis support to the department's divisions. Support was provided to the capacity building unit with the implementation of knowledge management as part of the key results area to the eight pilot municipalities in Mpumalanga and Free State. This was done through the donor-funded procurement infrastructure and knowledge management project.

Records management

The records management unit continued to provide support to the National Treasury, GTAC and the CBDA to comply with the National Archives and Records Service of South Africa Act (1996) and applicable regulations. The updated records management policy, which included provisions aligned with the Protection of Personal Information Act (2013) (POPIA), was approved and implemented. Awareness sessions on the policy were held with all divisions to share knowledge on records management, records archiving and records disposal as part of the department's relocation process.

Bulk paper records were scanned and uploaded to MS SharePoint, which provided staff and auditors easy remote access to official National Treasury records. Paper files in the departmental archives repository were retrieved as required for reference and audit purposes, and valuable records were collected from various business units, captured in the records database and stored in the repository.

More than 10 000 boxes of inactive records were transferred to an off-site storage facility to ensure that National Treasury records are kept safe during the relocation from 240 Madiba Street to 40 Church Street. A service-level agreement was entered into for 12 months with Metrofile (Pty) Ltd, a reputable records management service provider.

In collaboration with the knowledge management unit, the POPIA framework was developed and approved during the year under review. Arrangements were made with the internal audit division to conduct an in-depth assessment of the department's systems that process personal information to identify compliance gaps. Manuals on PAIA were translated into three official languages (English, isiZulu and Sesotho) with help from the Department of Sport, Arts and Culture, approved by the Director-General of the National Treasury and published. The compliance report was also submitted on time to the Information Regulator. The department

received 28 requests for access to its records from members of the public. Access was granted to 10 of these requests, four were denied, 10 were transferred to relevant entities, one was withdrawn and three were still being processed as at 31 March 2025.

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:

- 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 high-availability functionality.
- Implementing business automation through systems such as the ministry digital platform, the OCPO's register, Microsoft cybersecurity software and MS OneDrive.
- Launching the second phase of the business automation project with the aim of enhancing the performance management and development system, the e-Leave and e-Recruitment systems and MS Teams to include telephony.
- Establishing a 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 levels 1 and 2, firefighting, hazard identification and risk assessment, safety, health and environment.

Vetting of employees continued in accordance with levels of access to sensitive state information. Compliance with the vetting prescripts was 98 per cent for the period under review. Over the same period, personnel suitability checks were conducted on all prospective candidates. All contractors who rendered services on behalf of the National Treasury were screened. In conjunction with law-enforcement agencies, stringent security measures were in

04 PERFORMANCE INFORMATION BY PROGRAMME

place to safeguard the G20 ministerial and working group meetings; and national budget information, including the Budget Speech and MTBPS, prior to their release.

Facilities management

In 2024/25, measures were in place to ensure that the physical environment remained conducive to productivity, safety and long-term sustainability. The department sustained the functionality, comfort and operational efficiency of its existing facilities and infrastructure, notwithstanding persistent challenges. Concurrently, the process of securing alternate accommodation for the National Treasury, which was facilitated through the Department of Public Works and Infrastructure, advanced substantially. The relocation project reached an advanced phase during the period under review: the premises at 240 Madiba Street in central Pretoria was vacated, a lease agreement for temporary accommodation was concluded and preparatory activities for occupation were in progress. 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 were ongoing. These discussions were expected to conclude in early 2025/26.

Risk management

During the period under review, support for enterprise-wide risk management included a review and integration of planning, performance and audit information to assess risks. Regular in-depth analyses of the internal operational and external working environment contributed to building a risk-intelligent department and added value in decision-making and strategic outcomes. Advocacy initiatives continued to be implemented, thereby maintaining a risk management culture that promotes transparency and accountability. Governance was also improved with the approval of the new risk and compliance management policy.

The department concluded the business impact analysis project, which identified critical business processes, their resourcing needs and associated risks to inform the review of the business continuity plan. The ethics and anti-corruption management policy was implemented in relation to: disclosures of financial interest for senior management and non-senior management service staff, the management of remunerative work outside the public service and gifts received, the review of the ethics and anti-corruption risk profile, rolling awareness initiatives and the investigation of allegations of fraud and corruption.

Internal audit

After consulting management and gaining approval from the audit committee, the annual risk-based audit plan for 2024/25 was implemented as part of the three-year rolling plan. A total of 22 internal audit assignments were planned for and approved in the revised 2024/25 plan, and all 22 audits were completed and reported on. In addition, 11 ad hoc audits were executed and reported on, bringing the total to 33 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

As 2024/25 was the last year of the 2020-2025 five-year strategic planning cycle, a thorough and iterative approach was adopted during the period under review to develop the 2025-2030 strategic plan. Part of this entailed conducting 11 divisional strategic planning sessions across the department from 3 October 2024 to 6 December 2024. A combined SWOT (strengths, weaknesses, opportunities and threats)-PESTLE (political, economic, social, technological, legal and environmental) framework was used to guide the institutional situational analysis. The SWOT analysis served as a vital tool for identifying the department's internal strengths and weaknesses, and external opportunities and threats. This provided a holistic understanding of the factors that could influence the department's programmes over the next five years. The PESTLE analysis focused on evaluating the external and internal conditions that affect the National Treasury's performance and the formulation of its policies. This dual approach facilitated a deeper understanding of macro and micro environmental factors and resulted in the development of a hybrid matrix.

The unit also undertook, for the first time, the development of a theory of change for the department and its divisions. This is expected to assist the department to be more intentional, transparent and accountable in how planned deliverables are determined and the critical paths that are required to achieve targets over time.

Unqualified audits with no material findings have been obtained consistently since 2022/23. A key factor in this success was the seamless integration of planning, budgeting, risk management, spending oversight and performance reporting. The strategic management framework is underpinned by two essential pillars: aligning strategic and annual performance plans with budget allocations through the MTEF; and integrating operational plans, budgets, risk management instruments and individual performance agreements. Enhancements to the tools used for monitoring and reporting on strategic projects have further strengthened implementation and oversight while also bolstering institutional performance and accountability.

04 PERFORMANCE INFORMATION BY PROGRAMME

The mid-term report on the implementation of the 2020-2025 strategic plan was completed and submitted to the Department of Planning, Monitoring and Evaluation as per legislative obligations. The period covered by the report was characterised by unwavering endeavours and significant strain on the budget process, largely due to the demands of managing spending related to the COVID-19 pandemic. The department continued fostering a growth-oriented economy while safeguarding the fiscal framework, tackling structural constraints, applying measures to restore investor confidence and public trust, reducing policy uncertainty and lowering the cost of doing business. Navigating an ever-changing global and domestic environment has always been a critical part of the National Treasury's capability in the context of managing the public finances of South Africa.

The year under review was the second year of piloting the organisational performance management monitoring system in the department, which is an automated integrated strategic planning and reporting management system. The continued rollout of the system is anticipated to drive productivity, increase efficiency, foster integration, enhance performance and lower the time and costs linked to departmental planning and reporting.

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 National Treasury officials were assisted with statements requested by law enforcement agencies.

Legislation

Annual Budget bills for 2024/25 were attended to, along with a Special Appropriation Bill. The 2024 Eskom Debt Relief Amendment Bill was enacted in April 2024. The Public Procurement Bill was passed by both houses of Parliament in May 2024 and enacted in July 2024. In March 2025, the Public Sector Pension and Related Payments Bill and the Eskom Debt Relief Amendment Bill were tabled in Parliament.

In the fourth quarter, the General Laws Anti-Money Laundering and Combating Terrorism Financing Bill and the Special Pensions Amendment Bill were published for public comment. The draft Conduct of Financial Institutions Bill was submitted to the Office of the Chief State Law Adviser for its preliminary opinion for purposes of submitting bill to Cabinet and work on the National Payment System Bill commenced during the reporting period.

04 PERFORMANCE INFORMATION BY PROGRAMME

Assistance was provided to finalise amendments to Treasury regulations regarding PPPs in terms of the PFMA, which were published in February 2025. 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 2024/25

PROGRAMME 1: ADMINISTRATION

PROGRAMME 1: ADMINISTRATION									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
1.1.1	Sound financial controls and management of public finances	ICT service delivery reports	Percentage of ICT service delivery standards met	95%	94%	94%	98%	4%	Over-performance is attributed to the backup test restores that were conducted as part of business continuity. The backup success rate and the restore success rate improved disaster recovery readiness performance.
1.1.2		Audit outcome	Audit opinion obtained	Qualified audit opinion with 38% fewer findings than 2021//22 on financial performance information	Unqualified audit opinion with 57% fewer findings than 2022/23 on financial performance information	Unqualified audit opinion with 12% fewer findings than 2023/24 on financial performance information	Unqualified audit opinion with 33% fewer findings than 2023/24 on financial performance information	Unqualified audit opinion with 21% fewer findings than 2023/24 on financial performance information	Over-performance is attributed to the implementation of audit action plans and effective internal controls in place, which contributed to

04 PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 1: ADMINISTRATION										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
				Unqualified audit opinion with 100% fewer findings than 2021/22 on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information		non-reoccurrence audit findings.
1.1.3		Risk Management Maturity report	Risk Management Maturity Assessment level achieved	5	5	5	5	N/A	N/A
1.1.4		Annual Training report	Percentage spend of training and development budget	62%	96%	70%	85.9%	15.9%	Over-performance is attributed to the introduction of the NT Management Development program conducted in partnership with Stellenbosch University
1.1.5		Quarterly reports	Number of quarterly reports on the implementation of	#	#	4	4	N/A	N/A

PROGRAMME 1: ADMINISTRATION									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
			the action plan on the mainstreaming of women, youth and persons with disabilities produced						

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

No underperformance.

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 1: ADMINISTRATION	2023/24			2024/25		
	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	4 137	4 136	1	5 643	5 642	1
Departmental Management	61 869	63 237	1 368	89 587	88 561	1 026
Corporate Services	252 707	134 042	118 665	301 606	300 545	1 061
Enterprise-Wide Risk Management	37 946	36 352	1 594	40 731	40 591	140
Financial Administration	60 925	58 768	2 157	62 786	62 706	80
Legal Services	29 349	29 134	215	25 973	25 912	61
Internal Audit	19 658	19 359	299	24 506	24 209	297
Communications	12 085	11 470	615	13 531	13 166	365
Office Accommodation	131 208	129 678	1 530	138 045	137 936	109
Total	**609 884**	**486 176**	**126 444**	**702 408**	**699 268**	**3 140**

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 subprogramme promotes economic research institutions by funding economic research in the public interest and dedicated economic research on behalf of the 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 subprogramme 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 subprogramme 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 revenue.

Economic Policy

This subprogramme 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 2024 Budget. These included following up on implementing the tax proposals made in the 2023 Budget; 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 Global Minimum Tax Bill, along with various other tax amendments, was tabled and adopted by Parliament and enacted into law after consultation with the standing and select committees on finance. This legislation will ensure that any multinational company with annual revenue of more than €750 million pays a top-up tax to SARS if their effective tax rate in South Africa is less than 15 per cent. This legislation is subject to a peer review process at the OECD. The division also released discussion papers with proposed reforms to taxation on alcohol and collective investment schemes, as well as the second phase of the carbon tax.

The National Treasury's tax policy team led the programme on international taxation on behalf of government at the G20, which South Africa holds the presidency of until November 2025. The four priorities for South Africa's presidency in this area include: taking stock of progress and advancing the two-pillar tax reform, supporting domestic resource mobilisation, addressing inequality and improving tax certainty.

Aligned with the theme of "solidarity, equality and sustainability" during South Africa's G20 presidency, the financial sector development team is part of the Global Partnership for Financial Inclusion. The priority of this working group during the G20 presidency was "moving people from access to better usage of financial products and services". This priority was derived from the fact that, despite significant progress in expanding access to financial services, 1.5 billion people globally still don't have bank accounts, which underscores the need for ongoing efforts to increase access and enhance the use of financial services, particularly in countries where substantial gaps persist.

In 2024/25, South Africa hosted two meetings of G20 deputies and one of finance ministers and central bank governors. The importance of technical assistance and capacity building to ensure that all countries, especially those in Africa, can benefit from international tax reforms and be better equipped to mobilise domestic resources was emphasised. South Africa hosted a side event on domestic resource mobilisation, and a number of reports on government's priorities in this regard was set to be delivered in 2025/26.

The division coordinated and chaired the revenue analysis working committee, which provided for revised tax revenue forecasts in the 2024 MTBPS and the 2025 Budget. For the 2025 Budget, it also updated the estimates for tax expenditure and proposed numerous technical tax amendments to be legislated in 2025/26. At the time of the March 2025 Budget Review, revenue for 2024/25 was expected to fall short of estimates in the 2024 Budget by R16.7 billion in line with weaker than expected economic outcomes.

Following the publication of the policy position statement, titled "A Simpler, Stronger Financial Sector Ombud System", the Ombud Council granted recognition, effective 1 March 2024, to the National Financial Ombud Scheme as an industry ombud scheme under the Financial Sector Regulation Act (2017). The National Financial Ombud Scheme is a result of the amalgamation of four industry schemes: the Credit Ombud Association, the Ombudsman for Banking Services, the Ombudsman for Long-term Insurance and the Ombudsman for Short-term Insurance.

Legislative amendments to give effect to the two-pot retirement system, which commenced on 1 September 2024, were finalised and enacted into law. The system is a reform that will allow retirement fund members to make partial withdrawals before retirement while preserving a portion that can be accessed only at retirement.

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 was in response to South Africa being grey-listed by the FATF in February 2023 regarding weaknesses in its anti-money laundering and combating the financing of terrorism. As at 31 March 2025, South Africa was deemed to have addressed or largely addressed 20 of the 22 action items in its action plan to be removed from the grey list. The remaining items were to be addressed by June 2025 and delisting was expected in October 2025.

04 PERFORMANCE INFORMATION BY PROGRAMME

Working with participating commercial banks and the SARB, the division continued implementing the energy bounce-back loan guarantee scheme, an initiative meant to support small businesses and households facing challenges that arise from unreliable power supply and/or load shedding. During period under review, the division assisted SARB with establishing the Corporation for Deposit Insurance, which became operational on 1 April 2024. The corporation, a wholly owned subsidiary of SARB, is responsible for managing South Africa's Deposit Insurance Fund, whose role is to enable bank depositors to have access, up to a stipulated limit, to their deposits should their banking institution fail.

Along with SARB, the Prudential Authority and the FSCA, the division continued working on a draft Financial Markets Amendment Bill, which proposes revisions to the Financial Markets Act (2012) so as to advance domestic capital markets by updating and aligning the legislative framework with international standards. Once in effect, the law is expected to enable new forms of financial market activities and products and support broader market participation. The draft amendment bill incorporates key recommendations from the National Treasury's 2020 policy paper titled "Building Competitive Financial Markets for Innovation and Growth: A Work Programme for Structural Reforms to South Africa's Financial Markets".

The division continued working with SARB to develop a new capital flows management framework that aims to make it easier for foreign investors to invest in South Africa and support South Africa's growth as an investment and financial hub for Africa. Accordingly, the division and SARB worked on new capital flow management regulations that will be made in terms of the Currency and Exchanges Act (1933) once they are finalised.

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 market trends. As part of overseeing and implementing South Africa's macroeconomic policy framework, the division analysed and monitored macroeconomic trends 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, telecommunications 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. It also managed the administrative data lab.

In 2024/25, the division produced quarterly economic and revenue forecasts accompanied by scenarios that highlight the main risks to the baseline macroeconomic forecast. In addition to providing information about the macroeconomic outlook, significant capacity-building activities were carried out to ensure 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.

ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN 2024/25

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 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025 UNTIL DATE OF RE-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ANNUAL TARGETS
2.1.3	Coherent economic policy advocated	Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted to Cabinet	Tax legislation submitted to Parliament	N/A	N/A	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator

RE-TABLED ANNUAL PERFORMANCE PLAN 2024/25

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 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
2.1.1	Coherent economic policy advocated	Research papers	Number of research papers completed	15	30	45	45	N/A	N/A
2.1.2		Financial sector legislation	Financial sector legislation drafted	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted to Cabinet	Financial sector legislation not submitted to Cabinet	Financial sector legislation not submitted to Cabinet	Under-performance is attributed to greater consultation required on financial sector legislation
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 for tabling in Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	N/A	N/A
2.1.4		FATF Action Plan Progress Reports	Number of progress reports on the implementation of FATF action plan produced	#	#	3	3	N/A	N/A
2.1.5	Sustainable public finances	Economic forecasts	Number of economic forecasts developed	4	4	4	5	1	Over-performance is attributed to an additional economic forecast developed for the tabling of

04 PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
									the second Budget
2.1.6	Coherent economic policy advocated	Analysis and advice	Number of macro and microeconomic policy analysis and advice reports produced	8	9	8	8	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**
2.1.2	Coherent economic policy advocated	Financial sector legislation	Financial sector legislation drafted	Under-performance is attributed to greater consultation required on financial sector legislation	This work will continue in the first quarter of 2025/26

CHANGES TO PLANNED TARGETS

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH										
APP #	**OUTCOME**	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2022/2023**	**AUDITED ACTUAL PERFORMANCE 2023/2024**	**PLANNED ANNUAL TARGET 2024/2025**	**ACTUAL ACHIEVEMENT 2024/2025 UNTIL DATE OF RE-TABLING**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT**	**REASONS FOR DEVIATIONS**	**REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ ANNUAL TARGETS**
2.1.3	Coherent Economic policy advocated	Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted to Cabinet	Tax legislation submitted to Parliament	N/A	N/A	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH	2023/24			2024/25		
	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	29 758	22 254	8	31 652	24 674	6 978
Financial Sector Policy	29 205	28 422	1	23 659	22 101	1 558
Tax Policy	28 517	27 370	1	31 250	26 678	4 572
Economic Policy	29 979	28 504	1	34 185	29 755	4 430
Cooperative Banks Development Agency	20 911	20 911	-	16 850	16 850	-
Total	**138 370**	**127 462**	**11**	**137 596**	**120 058**	**17 538**

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.

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. It 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.

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 Medium-Term Expenditure Committee (MTEC).

04 PERFORMANCE INFORMATION BY PROGRAMME

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.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Budget Office

The Budget Office division is responsible for the national budget process, including the 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 (ODA) and compiled public finance statistics.

The division oversaw the publication of two fiscal frameworks and two fiscal policy chapters (for the 2024 MTBPS and the 2025 Budget Review) during the reporting period. The fiscal risks statement and technical annexure published in the 2024 MTBPS were also key outputs. The division published a discussion document on fiscal anchors alongside the 2025 Budget Overview. It played a leading role in providing fiscal policy advice and working with all relevant stakeholders – including MINCOMBUD, 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 included the National Archives and the accommodation precinct for the Council for Scientific and Industrial Research, and 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 BFI is a multidisciplinary facility to appraise, evaluate and link large infrastructure projects to the budget process for the allocation of resources. It brings together experts across government to make recommendations on the technical feasibility and readiness of infrastructure projects. By improving the planning, technical assessment, budgeting and execution of these projects, the facility supports quality public investment and has helped build a pipeline of projects that have undergone rigorous technical analysis. There have been eight BFI windows since its inception, with R52.9 billion allocated in windows 6, 7 and 8. As part of the current reforms, the facility is being reconfigured to run multiple windows, and project submissions will be evaluated quarterly rather than annually. The same appraisal methodology will be used, but to improve efficiency and the allocation of fiscal and project risk, financing decisions will be separated from the budget process for each project. This could include government guarantees, appropriations, PPPs or other fiscal tools.

The eighth window for the 2025 Budget process piloted the reconfigured system of appraisal and financing. Some of the projects approved for funding included: phases 2D and 2F of the Olifants management model programme for bulk distribution water infrastructure, including pipelines, reservoirs and reticulation; the construction of a new 224-bed hospital, the refurbishment of the psychiatric ward and mortuary, and the construction of facilities for allied services such as audiology, physiotherapy and occupational therapy at the Siloam district hospital; and a PPP with the City of Johannesburg for alternative wastewater treatment technology to convert an estimated 500 000 tonnes of solid waste to energy per year.

The Infrastructure Fund's role is to maximise the contribution of private-sector investors in blended finance projects while facilitating early financial closure. The Fund has made significant progress in supporting the financing of infrastructure projects: since 2021, it has helped package and finance 26 blended finance projects and programmes with a capital value of R101.6 billion across the water and sanitation, human settlements, student accommodation, transportation, health and municipal energy sectors.

The Expenditure Planning unit plans the annual national government 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, formally the MTEC. The annual processes for deciding on budget allocations are conducted in consultation with the Minister of Finance and MINCOMBUD. 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 legislation 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.

04 PERFORMANCE INFORMATION BY PROGRAMME

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 and climate budget tagging. A budget statement was published for the gender-responsive budgeting pilot. Interactions with the International Budget Partnership, the Global Initiative on Fiscal Transparency, and civil society and other institutions continued to increase transparency, public participation and understanding of budgeting processes and information.

Public Finance Statistics provides summaries of public sector finance statistics for the budget publications, and detailed information to various internal and external stakeholders after the budget process. The publication of the 2023 Budget on the National Treasury website included dashboards to accompany statistical tables. The statistics are classified according to international and national standards and stored in a secure structured query language server database.

Government accounts – including the operating account, capital account and consolidated financing position – were consolidated and classified by economic and functional classification for the 2024 MTBPS and 2025 Budget Review, and tables were prepared for the 2025 Estimates of National Expenditure (ENE). The development of a data warehouse to enhance accessibility, particularly for users with entry-level IT skills, is still in progress.

The dashboard was enhanced during the review period to highlight critical information for users in the in-year monitoring and reporting systems of national departments and the quarterly reporting systems of public entities. The partnership with the Technical Support Services unit in the Office of the Accountant-General continued to manage the standard chart of accounts and its committee. The committee published a number of classification circulars and participated in basic accounting system user forums.

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 unit is mandated to coordinate and mobilise development cooperation, including ODA. This function is executed in partnership with government departments, development partners, non-profit organisations and, where

applicable, the private sector. ODA typically comprises direct and indirect grants and donations, in-kind technical assistance and concessional loans.

South Africa received a total of R2.8 billion in ODA in 2024/25, reflecting a significant increase from R1.7 billion in 2023/24. This growth was primarily driven by substantial contributions from non-traditional development partners, notably the Global Fund to Fight AIDS, Tuberculosis and Malaria, which contributed R2.2 billion. Excluding this support, ODA from traditional partners – including the EU, France, Germany, Switzerland and the United States – increased from R204.5 million in 2023/24 to R621.5 million in 2024/25. This was largely attributed to scheduled tranche payments for sector budget support from the EU and milestone-based reimbursement grants from the United States Agency for International Development.

ODA in the form of grants and donations from traditional partners is expected to decline mainly as a result of the United States' withdrawal of ODA to South Africa and a broader and growing shift among development partners towards concessional loans and in-kind technical assistance. However, this anticipated decline is likely to be offset by renewed interest in development cooperation from emerging partners, with Denmark and China expected to commit grant funding of approximately R945.4 million and R501.5 million, respectively, over the next few years.

Development cooperation with traditional partners such as Germany, the EU, France and Switzerland is expected to continue, albeit at a reduced scale and with greater emphasis on in-kind technical assistance and concessional loans. South Africa concluded several new agreements with the EU and Germany in 2024/25, introducing new funding envelopes and programme support. Additionally, an agreement was finalised with the Netherlands committing R3.1 billion over three years in indirect grant funding with a focus on green energy, the just energy transition and public infrastructure.

The Public Sector Remuneration Analysis and Forecasting unit provides timely analysis and policy advice on the fiscal impact of government's remuneration policies, including forecasts of 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 such a large share of public finances, government's ability to curb growth in the wage bill 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 2024/25. This included quantifying the fiscal risks associated with the bill, comparative remuneration analyses of other public sectors, and international benchmarking. During 2024/25, the unit drafted and published the 2024 MTEF guidelines for costing and budgeting for compensation of employees, and annexure B (compensation and employment data) of the 2024 MTBPS. It also provided technical assistance to internal and external stakeholders on queries relating to conditions of service for employees in various public entities.

As part of the 2024 MTBPS process, government prioritised key services by allocating additional funding to address growing compensation pressures and capacity constraints, as well as for

04 PERFORMANCE INFORMATION BY PROGRAMME

wage increases. A total of R121.9 billion (R46.5 billion in 2024/25) over the 2024 MTEF period was allocated for wages, including increases. This funding also includes the reversal of reductions implemented against the wage bill during the 2023 MTBPS in labour-intensive departments such as education, health, police, defence, correctional services, justice and home affairs.

During the latter months of 2024/25, the National Treasury, represented by the Public Sector Remuneration Analysis and Forecasting unit, the Department of Public Service and Administration and labour unions, concluded a multiyear wage agreement in the Public Service Coordinating Bargaining Council for 2025/26 to 2027/28. The formalised agreement was signed by a significant majority of trade unions (84.3%) in February 2025. The National Treasury estimated the additional costs, not included in the compensation baselines as a result of the 2025 wage agreement, at R23.4 billion, which includes carry-through costs in subsequent financial years.

In collaboration with the Department of Public Service and Administration, the unit helped to monitor the successful implementation of the PERSAL/PERSOL directive on government payroll systems in 2024/25. The directive outlined control measures to support executive authorities to operate within their departments' financial ceilings when creating and filling non-essential vacant posts. The directive was implemented with effect from 1 November 2023 and concluded at the end of the financial year.

The unit continued to engage the Department of Cooperative Governance and Traditional Affairs on the remuneration review framework for senior managers in local government. This process was successfully concluded in 2024/25. In addition, the unit provides yearly cost analysis on the remuneration of municipal councillors, and upper limits on total remuneration packages payable to municipal managers and managers directly accountable to municipal managers as part of the set 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 public office-bearers. The unit provides the commission with the National Treasury's perspective, as a stakeholder, on related aspects of the major remuneration review report. The review focuses on remuneration and other necessary resources to enable office-bearers to perform their functions effectively.

The unit successfully concluded the amalgamation of the Temporary Employees Pension Fund and Associated Institutions Pension Fund, in partnership with the Government Pensions Administration Agency, during 2024/25, with the effective implementation date of 1 April 2025 approved by the Minister of Finance.

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 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 within the division oversees the finances and budgets of several central government departments and entities. Departments and other key structures that the unit worked with during the period under review included:

National Treasury

- Conducted analysis on the adequacy of the National Treasury's compensation of employees budget in relation to the department's personnel complement and recruitment plans, and provided advice on and ensured that sufficient funds are reprioritised towards compensation of employees and that personnel costs are sufficiently funded in 2024/25 and over the 2025 MTEF period.
- Engaged the South African Revenue Service on its funding requirements and the key projects that need to be implemented to improve tax compliance and reduce the tax gap through collaboration with the Tax Policy and Public Entities Oversight units. Ensured the provision of additional allocations to support these goals.
- Evaluated the National Treasury's costing of the G20 funding requirements and supported the reprioritisation of these requirements in 2024/25 and the partial provision of additional amounts in 2025/26. Contributed to the development of the sponsorship framework published by the National Treasury and participates in the G20 sponsorship subcommittee.
- Supported the National Treasury's implementation of the recommendations from conditional grants review, specifically the consolidation of the metro component of the *neighbourhood development partnership grant* and the *project and programme preparation grant* into the new *urban development financing grant*, and the integration of the remaining balance in the *project and programme preparation grant* into the non-metro component of the *neighbourhood development partnership grant*.

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- Participated and made inputs into internal process in relation to the merger of the CBDA, SEDA and the SEFA, and the transfer of funds allocated to the CBDA in the National Treasury budget vote to the Department of Small Business Development.

Government Communication and Information System

- Provided supported to the department to retain funding from the subletting of excess office space to the Border Management Authority to prevent the overspending of funds budgeted for its office accommodation and provide for the installation of back-up inverters in provincial offices.
- Evaluated the Government Communication and Information System's and Brand South Africa's costing of the G20 funding requirements and supported funding bid related to G20 activities. Facilitated engagements between the Government Communication and Information System, Brand South Africa and the Department of International Relations and Cooperation following the identification of duplications regarding G20 branding and communications.

Department of Planning, Monitoring and Evaluation

- Provided support to the department in relation to the national macro-organisation of government and participated in internal and external workstreams in this regard, specifically in relation to the transfer of functions or responsibilities from the former Ministry of Public Enterprises to the Ministry of Planning, Monitoring and Evaluation.

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 its foreign missions.
- Advised on the appropriate funding mechanism for South Africa's genocide case against Israel at the International Court of Justice and G20 preparatory activities in 2024/25.

Department of Public Works and Infrastructure

- Commented on the business case for the establishment of Infrastructure South Africa as a public entity.
- Considered and supported the proposed consolidation of two expanded public works grants into a single expanded publics programme integrated grant for provinces.
- Participated in the work of a committee set up to consider appropriate funding arrangements for infrastructure projects.

Department of Home Affairs

- Participated in the Border Management Authority working committee to prepare reporting on the performance and expenditure of the entity to the Border Management Authority interministerial committee as a legislative requirement.

Department of Public Works and Infrastructure

- Following the audit of the 2022/23 financial statements and the derecognition of some of the revenue collected by the Property Management Trading Entity, assisted the entity in understanding the extent to which the National Treasury could, in terms of the PFMA, assist the entity in managing the financial implications of the derecognition of revenue.
- Provided technical advice on the financial and other resource implications of the Property Management Trading Entity's revenue enhancement strategy.

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 by each directorate during the reporting period included:

Justice and Secret Services

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

- Minister of Finance concurrence on the:
  - proposed interest rate payable to certain monies in the Guardian's Fund in accordance with section 88 of the Administration of Estates Act (1965)

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  - draft regulations for housing assistance programme for TRC victims and beneficiaries in accordance with section 40(2) of the Promotion of National Unity and Regulations Act (1995)
  - draft Land Court regulations in accordance with section 37(2) of the Land Court Act (2023)
- Introduction of a transfer payment for the newly listed Information Regulator as a schedule 3A public entity with effect from 1 April 2025
- Guidance on the disposal of laptops in terms of Treasury Regulation 16A 7.7; the possible creation of trading accounts for the Justice College and Master of the High Court; the filling of key positions in the National Prosecuting Authority using funding from the Federal Foreign Office; and the acceptance of donations in kind (immovable properties) for the Jozini, Madadeni and Phuthaditjhaba Thuthuzela care centres.

Judicial Administration and Correctional Services Directorate

- Provided continued support and advice in the established Judicial Inspectorate for Correctional Services as a government component.

Defence and Military Veterans

- Assisted the Department of Defence in securing an additional allocation through section 16(1) of the PFMA. This provision authorises the Minister of Finance to approve the use of funds from the National Revenue Fund for urgent and unforeseen expenditure – specifically for the Southern African Development Community Mission in the Democratic Republic of the Congo under Operation Thiba. This process included the preparation of mandatory reports to Parliament and the Auditor-General, as required within 14 days of authorisation in accordance with section 16 of the PFMA.
- Continued to provide support to the Department of Defence in funding the deployment of South African National Defence Force personnel in the Democratic Republic of the Congo through Operation Thiba, including the associated phased withdrawal costs.
- Ongoing support was also provided to the Department of Military Veterans for the implementation of the military veterans' pension benefit.

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 assisted with improved monitoring of spending and service delivery, and reviews of departmental policies and approaches to implementation. It also advised on financial management issues. The following departments were assisted:

Department of Basic Education

- Assisted and advised the basic education sector on developing a results-based funding initiative to be piloted in the early childhood development function.
- Served on the project steering committee that oversaw the implementation of the fourth phase of the presidential youth employment intervention and advised on the planning for further phases of this initiative.
- Served on the teacher demographic dividend focus group that helps evaluate and guide ongoing research in personnel planning in the education sector.
- 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.
- Served as the National Treasury representative in the heads of education finance subcommittee.
- Advised and assisted the department with the shifting of 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 of the modernisation of the SA-SAMS information system.

Department of Higher Education and Training

- Served on the project steering committee for the skills development dialogue series as part of the capacity-building programme for the employment promotion initiative.
- Advised the department on possible student funding initiatives to cater for the “missing middle”.
- 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.

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Department of Employment and Labour

- Advised the department on the fifth phase of the presidential youth employment intervention and advised on planning for its further 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 the unbundling of the Unemployment Insurance Fund and the Compensation Fund from the department and the restructuring of the department.

Department of Sport, Arts and Culture

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

Health and Social Development

The unit oversees the budgets, spending and service delivery of the departments of health; social development; and women, youth and persons with disabilities; and provides support and advice to these sectors in a number of policy areas. Key work carried out in 2024/25 included:

Department of Health

- Facilitated the 2025 budget process for health, including hosting a bilateral meeting and a function group meeting, conducting analysis on the implications of shortfalls in provincial health budgets, which contributed to additional allocations being made address these shortfalls.
- Supported the BFI in its assessment of health infrastructure proposals, which led to additional funding for Siloam Hospital in Limpopo and Tygerberg Hospital in Western Cape.
- Effected various budgetary and financial management changes, such as the approval of a new fee schedule for the South African Health Products Regulatory Authority, approval for the retention of cash surpluses of health public entities, and the reprioritization of funds towards the National Institute for Communicable Diseases.
- Led the work of the G20 joint finance and health task force as part of the South Africa's G20 presidency.
- Participated in a range of policy initiatives, such as the development of a medico-legal claims strategy, the ward-based primary health care outreach teams policy review committee, the reference group for the national AIDS spending assessment, and the technical working group on the national sustainability framework for HIV and TB.
- Contributed to various donor funding applications, such as to the Pandemic Fund and the Global Fund to Fight Aids, TB and Malaria.
- Supported the Intergovernmental Relations division in the provincial benchmark process, provincial visits and conditional grant reviews.
- Authored a chapter in the District Health Barometer on district health expenditure and contributed to the health chapter of the 2024 Provincial Budgets and Expenditure Review.

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Department of Social Development

- Developed options for what might replace the *COVID-19 social relief of distress grant* and engaged the Department of Social Development and Technical Committee on the Budget (TCB) on possible options.
- Reviewed and provided input into several policies and strategies proposed by the Department of Social Development. These included policies on basic income support, comprehensive social security reform and social protection for atypical workers, the Victim Support Services Bill, the national community development policy, the policy on the prevention of and treatment for substance use disorders, and the policy for the integration of children's grants into government services. Work continued with the department to analyse funding mechanisms and strategies for the non-profit sector, including modalities for service provision.
- Various financial management actions, including approving the South African Social Security Agency's application to retain surplus funds, virement requests and others.
- Supported the Intergovernmental Relations division in the provincial benchmarking process and input into social development chapter of the Provincial Budgets and Expenditure Review.
- Supported the Asset and Liability Management division with preparing and reporting on COVID-19 social relief of distress loans from international finance institutions.
- Facilitated the 2025/26 budget process for social development. This included a detailed expenditure analysis for national and provincial departments of social development.
- In support of the Department of Planning, Monitoring and Evaluation, provided input on annual performance plans and commented on achievements against quarterly performance targets.
- Reviewed the request for and supported the Minister of Finance's concurrence to the 2025/26 COVID-19 social relief of distress regulations and the indemnity of banks in their partnership with the Department of Social Development and the South African Social Security Agency to facilitate means testing for social grants.
- Supported Brazil's G20 presidency's taskforce for a global alliance against hunger and poverty.

Department of Women, Youth and Persons with Disabilities

- Assisted the department in complying with its financial reporting and review. This included a detailed expenditure analysis for the department and its entities.
- Analysis of the National Youth Development Agency's national youth service programme and other youth support initiatives driven by the department.

- In support of the Department of Planning, Monitoring and Evaluation, provided input on annual performance plans.
- Reviewed the department business case requesting additional funding and drafted a briefing note to the Minister of Finance with recommendations.
- Provided inputs on the department's submissions to Cabinet, including regular reports to Cabinet on progress implementing the Beijing Platform for Action, progress on the South African National Service Institute and the South African National Defence Force-led implementation of the National Youth Service and launch of the 2024 South African national GBVF study.

Economic Services

Department of Public Enterprise

- In collaboration with the Asset and Liabilities Management unit, assisted in amending the schedule for the ringfenced recapitalisation of funds for Denel and contributed to the briefing note for the Minister of Finance.
- Assisted in the finalisation of the transfer of funds from the Department of Public Enterprises to other departments and entities following its dissolution in line with the 2024 national macro organisation of government. The unit further organised and participated in meetings to assist the department with understanding the proclamation.

Department of Agriculture, Land Reform and Rural Development

- The National Treasury convened and coordinated the Agriculture Coordination Forum 10X10, a collaborative and budget coordination structure between the National Treasury, the Department of Agriculture, Land Reform and Rural Development and provincial departments in the agriculture sector. The forum is chaired by the National Treasury and the Department of Agriculture, Land Reform and Rural Development to drive and ensure policy coherence and resource allocation across all spheres of government.
- Assisted the Department of Agriculture, Land Reform and Rural Development with reprioritising funds between programmes to address the funding shortfall for the agriculture extension services programme. This was in response to the announcement by the president in the 2021 State of the Nation Address on the need to strengthen farmer support by closing the gap on the extension-to-producer ratio.
- Following the 2024 national macro organisation of government, the unit assisted the Department of Agriculture, Land Reform and Rural Development to come up with two

separate budget programme structures and budget reallocation before the tabling of the national budget and the submission of annual performance plans and strategic plans.

- The unit continued the work associated with its membership to the interministerial committee on land reform, which aims to accelerate the land reform process to find sustainable solutions.

Department of Forestry, Fisheries and the Environment

- Provided comments on the industrial waste tyre management plan, which outlines the guidelines and compliance requirements for all stakeholders. The plan also sets out the mandate, brief and criteria that prospective implementers must meet to be eligible for operationalising and executing waste tyre management.
- Together with the National Treasury's legal unit, reviewed the department's request for the Minister of Finance to grant concurrence on the extended producer responsibility scheme fee applications for paper and packaging, lighting and electrical and electronic waste streams.
- Together with the Budget Office division, assisted with the second phase of the climate budget tagging process, which is a key reform in the budget process. The purpose of climate budget tagging is to identify, classify, weigh and mark climate-relevant spending in the public finance system. The second phase of the climate budget tagging process included the training of the budget analysts and establishing the climate budget tagging governance structure, which includes key sector departments.
- Participated in the Ocean Economy Working group, which works to facilitate free and open trade in the Asia-Pacific region and promote the sustainable use of fisheries, aquaculture and marine ecosystem resources and related goods and services.
- Served as the National Treasury representative in the waste tyre industry advisory committee to drive the implementation of the waste tyre management plan.
- Facilitated the shifting of funds from the Department of Agriculture, Land Reform and Rural Development to the Department of Forestry, Fisheries and the Environment to finalise the 2019 national macro organisation of government.

Department of Science and Innovation

- Participated in the engagements with the Department of Science and Innovation and the Department of Planning, Monitoring and Evaluation on the science, technology and innovation research and development budget tagging process. This process seeks to improve the coordination of public funding for science, technology and innovation and research and development across government.

- Facilitated the shifting of funds to the Department of Higher Education and Training for ministry costs as part of the national macro organisation of government.
- Reviewed the department's request to grant concurrence on the approval of financial guarantees for early termination, contract works and a standard deposit as a security on National Research Foundation's Ithemba Labs. Together with the fiscal liabilities committee, advised the Minister of Finance on the appropriate response.

Department of Small Business Development

- Together with the National Treasury's Legal unit, the Budget Office division and the Tax and Financial Sector Policy division, assisted in the finalisation of the merger of SEDA, SEFA and the CBDA to form SEDFA. The National Treasury implemented the final Cabinet decision regarding the formation of and funding for SEDFA before the tabling of the 2025 ENE.
- Participated in phase 1 of the standardisation of output indicators for provincial departments of economic development. The aim of standardising indicators is to ensure that provincial and national plans are aligned towards the achievement of the country's national development agenda as provided for in the NDP 2030 and the 2024-29 MTDP.

Department of Tourism

- Provided comments on the implementation of the tourism route development plan, which focuses on rebuilding the tourism sector and increasing air connectivity.
- Provided comments on the national tourism air access marketing programme, which aims to increase the number of direct flights to and from South Africa and within South Africa to enable growth in the tourism sector and job creation.
- Provided comments on the White Paper on the Development and Promotion of Tourism in South Africa, which seeks to grow the economy sustainably and competitively through an inclusive, inspiring and visitor-oriented tourism sector.
- Organised and facilitated meetings for the 2025 MTEF budget process with the department, including conducting a comprehensive baseline analysis to inform recommendations to the MTEC.
- Compiled comprehensive feedback on the department's monthly expenditure reports and prepared input for the quarterly expenditure reports to the Standing Committee on Appropriations.
- Reviewed and analysed requests from the department to retain surplus funds for its schedule 3 public entity.

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Department of Trade, Industry and Competition

- Convened the economic development coordination forum 10x10, which is a collaborative and coordination structure between the National Treasury, the Department of Trade, Industry and Competition and provincial departments in the economic development cluster. The forum is chaired by the National Treasury and the Department of Trade, Industry and Competition to drive and ensure policy coherence, resource allocation and interventions to enable inclusive economic growth and employment.
- Collaborated with the Economic Policy division and the World Bank towards developing a framework for government business incentives and engaged relevant departments on developing a single register for the beneficiaries of government business incentives.
- Facilitated a compilation of advice to the Minister of Finance on the designation of Namakhwa special economic zone (SEZ) after considering the response from the Minister of Trade, Industry and Competition addressing issues raised by the Minister of Finance. Further facilitated the compilation of advice to the Minister of Finance on the Dube Trade Port SEZ boundary expansion request.
- Assisted the department and its schedule 3 public entities to retain surplus funds to fulfil outstanding commitments.

Urban Development and Infrastructure

The Urban Development and Infrastructure unit oversees the finances and budgets of several government departments with concurrent and intergovernmental functions, including economic regulation and infrastructure responsibilities. Several of these departments oversee the implementation of grants, oversee public entities and SOCs, and collaborate with Operation Vulidlela to address regulatory bottlenecks. In addition to budget planning and preparations, expenditure monitoring and financial compliance measures and advice on PFMA-related requests, the departments were supported through inputs on policy proposals and public entity oversight matters. Departments and other key structures that the unit worked with during the period under review included:

Communications and Digital Technologies

- Participated in the Department of Communications and Digital Technologies monitoring task team for the South African Post Office to discuss progress and financing options in response to the business rescue team.
- Continued to participate in consultations on various legislative reforms undertaken by the department.

Department of Cooperative Governance

- Continued engagement with the department on funding, management and outcomes of the community work programme.
- Worked with the chief directorates of Legal Services and Provincial and Local Government Infrastructure to analyse proposed amendments to the 2024 Intergovernmental Relations Framework Amendment Bill. Provided comments and supported its publication in the Government Gazette for public input.
- Provided content support to the National Disaster Management Centre-led G20 working group on disaster risk reduction.
- Participated in interministerial committee technical forums on disaster and the 2026/27 local government elections.

Department of Human Settlements

- Facilitated and participated in engagements with the department on the spending effectiveness of the *urban settlements development grant*, conditional grant reforms, and proposed reallocations towards the metro trading services component of the *urban development financing grant*.
- Participated in workstreams and coordinated contributions to the Human Settlements White Paper.
- As part of the expenditure monitoring and financial management policy, technical advice was provided on the department's disaster spending and entity governance matters.

Department of Mineral Resources and Energy

- Facilitated the Minister of Finance's response on fees and tariffs of 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.
- Provided support on the national macro organisation of government process to separate the budget of the Department of Mineral Resources and Energy for the two newly created departments – the Department of Electricity and Energy and the Department of Mineral and Petroleum Resources.

Department of Traditional Affairs

- Provided programmatic and policy analyses, including on king and queen resource bids and inputs and comments on certain provisions of the 2024 Traditional and Khoi-San Leadership

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Bill to support its resubmission to Parliament for re-enactment. The Traditional and Khoi-San Leadership Act (2019), which came into effect on 1 April 2021, was declared invalid by the Constitutional Court due to insufficient public participation by Parliament. The 2024 Bill is intended to give Parliament the opportunity to comply with the court order, issued on 30 May 2023, which found that Parliament had failed to fulfil its constitutional duty to facilitate public involvement before enacting the 2019 act.

Department of Transport

- Supported the department in its oversight role and the disbursement of the public transport grants, and inputs into the public transport operational subsidy policy.
- Provided oversight support through consistent engagements with the department and the Passenger Railway Agency of South Africa to address time-sensitive Gibela obligations that imposed budget pressures.
- Concluded financing arrangements for the Gauteng freeway improvement project, together with the financing of backlog road maintenance. The memorandum of understanding has been signed by Gauteng and national government.
- Supported the department through the national macro organisation of government process, providing the necessary guidance on all transitional requirements.

Department of Water and Sanitation

- Provided comments on the National Treasury's intervention under section 216 of the Constitution to address defaulting municipalities. This intervention entails withholding the transfer of local government equitable share allocations provided that the municipalities enter into a realistic repayment agreement with the relevant water board and the municipality pays the agreed portion of the current instalment and submits proof of payment to the National Treasury and the Department of Water and Sanitation for the release of the local government equitable share grant payment.
- Engaged the National Treasury, the department, Rand Water and the Emfuleni local municipality and provided comments on the business case for the proposed establishment of the special purpose vehicle between Rand Water and the municipality.

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 51.4 per cent (R900 billion) for non-interest expenditure to provinces and municipalities in 2024/25. 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 2024 Division of Revenue Bill was tabled in February 2024 and included net additions of R17.1 billion over the MTEF period for provinces to fund costs associated with the 2023 public service wage agreement. A net reduction of R20.6 billion over the medium term was proposed in the 2023 MTBPS.

A total of R1.1 billion previously added to the early childhood development grant to pilot a nutrition support programme and a results-based service delivery model were shifted to the Department of Basic Education. Several structural changes were also introduced into the health conditional grants to improve the efficiency of health services and the administration of the grants. In the national health insurance grant, R737 million was shifted to the national tertiary services grant. This reallocation was intended to enhance efficiency and coherence in the provision of tertiary health care services by consolidating the funding of oncology services under a single conditional grant. The funds were also to support the ongoing development and expansion of these services. Furthermore, the personal services and non-personal services components of the national health insurance indirect grant were merged into health systems component in an effort to improve administration. This integrated component continues to implement the initiatives previously supported under the two previous components.

During the adjustments process, R250 million was added to the education infrastructure grant for the Western Cape rapid school build programme, which will continue to receive funding over the MTEF period.

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 finalised a report on the disaster risk financing strategy, which incorporated findings from the survey with the 40 municipalities most affected by disasters. This review 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. The department also finalised a report on the review of conditional grants, which included performance incentives for infrastructure grants, and introduced reform incentives to public utilities to encourage better performance. The findings and proposals were taken through the various bilateral meetings for endorsement and implementation over the MTEF period. Several National Treasury grants were reformed and a new grant is being created to drive reform in metro trading services.

To address concerns about water and sanitation needs, a new requirement was introduced during the period under review that mandates the use of the Department of Water and Sanitation's assessment report results in all conditional grants that fund water and sanitation. This data-driven approach is expected to help ensure that key needs are addressed and resources are used effectively. The division continued to update policies to enhance the role of the private sector in financing municipal infrastructure. To establish an unambiguous, fair and

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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 will also host a creditworthiness programme to capacitate secondary municipalities to make informed decisions about preparing projects and accessing long-term financing.

The division supports work done by the Assets and Liability Management unit in identifying initiatives for policy-based loans, mainly from development finance institutions and multilateral development banks. Funds from these loans are deployed through local government conditional grants and have attached developmental outcomes for policy initiatives, such as the just energy transition. One of the initiatives identified in policy-based loans includes enhancing the operational performance of municipalities in the power distribution sector. To this end, the smart meters grant for municipalities to purchase smart meters was enacted through the 2024 Division of Revenue Act. The grant's design has been finalised and loan negotiations with the World Bank have progressed.

The division continued to provide support to metros for selected projects in the areas of economic development, human settlements, public transport, climate resilience, infrastructure and fiscal reform. The reform in metro trading services has been incorporated as an anchor reform in phase 2 of Operation Vulindlela. The National Treasury secured funding for the reform through the 2025 Budget. It was set to move into implementation at the start of 2025/26. The department issued four guidance notes and a municipal budget circular to guide metros to prepare their documents for participation in the reform. Six metro water and sanitation services and six metro electricity services qualified to participate in its first year. These metros were

required to present their draft performance improvement action plans to the MFMA mid-year budget review before submitting their plans and budget documents for approval.

The titling programme has been adopted by the official validation titling support team as the spatial inequality reform agenda. The team engaged with the Department of Human Settlements to discuss the operational plan and memorandum of understanding for titling support. The department prioritised funding for the metro titling backlog, particularly for the proclamation and establishment of townships, following the cities support programme's insistence and support. Key interventions include developing an integrated planning and beneficiary administration framework and toolkits. Sector coordination with the deeds office will enable geospatial titling data from the Surveyor-General's office to be easily accessed for determination and verification, and policy proposals are under way for the revision of the deceased estate threshold. These aspects are receiving attention following the intervention of the National Treasury's Director-General. The cities support programme team has conducted seven roundtable dialogues with metros and non-state organisations. The smart integrated system project, which helps with data analysis and creates credible target setting and interventions, has been piloted in Nelson Mandela Bay and Buffalo City.

The release of a new version of the spatial tax panel marks a key 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. Donor funding will potentially be leveraged for this initiative.

The Department of Transport, the South African Local Government Association, the South African Cities Network, relevant provincial departments, selected secondary cities and the eight metros attended the second minibus taxi community of practice.

The cities support programme was appointed by the Presidency to lead the City of Joburg working group on inner-city regeneration. The programme delivered training on the cities' infrastructure development and management system to 186 officials from the City of Cape Town, City of Ekurhuleni, City of Joburg, City of Tshwane and eThekwini municipality customised to the cities' needs in line with their requests. A land value capture webinar on the impact of development charges on affordable housing and infrastructure development in metros was attended by 69 officials from across cities.

The neighbourhood development partnership programme continues to support municipalities in response to socioeconomic redevelopment challenges in South Africa's townships. Its

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associated *neighbourhood development partnership grant* comprises two funding streams: a technical assistance grant for municipal planning in investment areas and a capital grant for funding selected catalytic projects in investment areas. Support was provided to municipalities to prepare municipal investment plans. The support included review sessions at the conceptual and final stages to ensure alignment with grant requirements. A pipelining process followed by municipal engagements and baseline submissions resulted in the approval of 44 new catalytic projects. Four reports were finalised during the reporting period to support the preparation of catalytic projects in rural areas, intermediate cities and metros, and ongoing programme and project management support was provided to 47 municipalities (eight metros, seven intermediate cities and 32 rural municipalities). As part of the neighbourhood development partnership programme precinct management support initiative and in partnership with the German Development Cooperation (GIZ), two training workshops on safety in precinct management were conducted for these 47 municipalities. A total of 93 participants took part in the workshops and guidelines were developed and shared.

The division oversaw the management of funds for the public employment programme. Eight public employment programme business plans with detailed implementation plans were evaluated and funds were approved for 70 projects. The projects include six in informal settlements, three in township economic development, 12 in public space and asset management, 10 in cleaning and greening, four in food safety, 15 in innovative service delivery, three in the management of local knowledge, seven in community safety, nine in environmental services and management, and one in community tourism. This resulted in the creation of an estimated 19 967 jobs in 2024/25. Eight mid-year assessment sessions for metros were held, at which progress was presented and projects highlighted the challenges they experience and the assistance they require.

The division provided packaging and assistance support to metropolitan municipalities for programme and project management through the *programme and project preparation support grant*. Metros submitted detailed workplans outlining their preparation projects and programmes. Eight plans were approved, bringing the total number of projects financed to 86. Eight metro review engagements were held, at which progress was presented and projects highlighted the challenges they experience and the assistance they require. Debriefing sessions were conducted to ensure that appropriate support could be provided to metros to address the challenges identified during review engagements. Information sessions were held to inform metros about the annual approach and submission requirements for grants.

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 conducted visits to 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 procurement and delivery management. The institutionalisation or implementation of the 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 2025/26.

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, covering conditional and unconditional grants (equitable shares), through the 2024 Division of Revenue Amendment Act.

In ensuring municipalities can respond to the impact of disasters, R684 million was added to the municipal disaster recovery grant's original allocation of R741 million 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.

In alleviating the impact of disasters and providing for the immediate needs of affected communities, R378 million was approved to be allocated to various municipalities from the municipal disaster response grant allocation for 2024/25. This was for flood intervention measures for municipalities in Eastern Cape, KwaZulu-Natal and Northern Cape.

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Following the allocation of the R378 million, a further R153.2 million from the municipal disaster response grant for 2024/25 was allocated for flood intervention measures in one municipality in Free State, two municipalities in Mpumalanga, 13 municipalities in KwaZulu-Natal and 10 municipalities in Western Cape. Funds amounting to R55.2 million were transferred to the affected Western Cape municipalities on 12 February 2025 to alleviate the impact of the disaster. The remaining R97.9 million from this immediate response grant was allocated to municipalities in Free State, KwaZulu-Natal and Mpumalanga, and transferred in March 2025 to address the effects of the floods. All funding for disaster relief and recovery grants was transferred in 2024/25.

The National Treasury continues to help underperforming municipalities improve spending and manage conditional grants. Municipalities in Free State have been struggling to spend their municipal infrastructure grant allocations in full, whereas others could not 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.

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. During 2024/25, 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 National Treasury wrote to 171 municipalities with the intention of stopping their funds because of significant underperformance and noncompliance against conditional grant frameworks and the provisions of the act. A total of R3.5 billion of a proposed R5.2 billion was stopped. This is an annual, consultative process with transferring officers to avoid fiscal dumping of large untransferred amounts in March, avoid potential rollover requests and high unspent grants at the end of the municipal financial year (June), and 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. 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.

For 16 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 2024/25 medium-term revenue and expenditure framework budgets through MFMA circulars (numbers 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 positions of their 2024/25 budgets. The division also assessed the adopted budgets for 2024/25 and determined that 16 of the 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.

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 sessions with 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

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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.

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.

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 plan 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 at 43 municipalities across all system vendors during the review period to determine the level of mSCOA implementation. The observations from these demonstrations provided guidance on issues that should be included in these municipalities' mSCOA roadmaps. Other support initiatives included issuing 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 the 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.

With the support of the Office of the Accountant-General, the National Treasury also designed, developed and issued illustrative mSCOA specimen annual financial statements in 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, and is aligned with version 6.8 of the mSCOA chart.

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 chart was issued.

The division continued to monitor the implementation of provincial budgets in accordance with section 6 of the PFMA. As part of this mandate, the division published four quarterly section 32 provincial revenue and expenditure reports. In addition, annual provincial budget and facility visits were successfully conducted as part of the National Treasury's oversight responsibilities. These were undertaken in collaboration with other divisions within the National Treasury and relevant national departments and served to strengthen the monitoring of provincial spending and service delivery.

The provincial conditional grant rollover process for 2024/25 is under way. Funds not committed to identifiable projects will be surrendered back to the National Revenue Fund. The stopping and reallocation process for the *human settlements development grant* (R550 million), the *informal settlements upgrading partnership grant* (R250 million) and the *education infrastructure grant* (R187.9 million) was completed and gazetted in accordance with sections 18 and 19 of the 2024 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 were attended by relevant national and provincial departments, and provincial treasuries. Discussions focused on key clauses and amendments to the bill aimed

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at enhancing compliance, improving the efficiency of spending and strengthening service delivery.

The division successfully conducted the provincial budget benchmarking process with provincial treasuries in December 2024. The process assessed the allocative efficiency of provincial budgets based on second draft submissions for 2025/26. The recommendations from these engagements are considered by provincial treasuries before finalising their budgets to ensure that government priorities are adequately funded.

As part of efforts to strengthen government capacity and enhance the quality of provincial budget documentation, the division continued to deliver training on the essentials of budget formulation and budget analysis. A total of 263 officials from all provinces were trained in 2024/25. To further support provinces' capacity to collect revenue, the division coordinated quarterly revenue workshops in collaboration with provincial treasuries. These provided a platform to share information and best practice on revenue-related matters.

The division successfully completed the 2024 Provincial Budgets and Expenditure Review during the reporting period. The publication offers key insights into provincial budgets, expenditure trends and service delivery performance across various sectors.

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. Training was conducted for officials from national and provincial departments and municipalities 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. The officials will get accreditation for the unit standards that have been attended upon completion of the portfolio of evidence, which the authority will evaluate.

The division completed annual assessments of infrastructure plans for provincial departments of education and health, and provided feedback to encourage improvement in the planning, funding and delivery of infrastructure projects. It also continued to implement the *infrastructure skills development grant*, bringing a cumulative 452 professionally registered built environment practitioners into government and contributing to the public sector's professionalisation while directly enhancing the implementation of the infrastructure delivery management system. These professionals meet the minimum requirements set out by the Department of Cooperative Governance in terms of the minimum staff requirements and staff regulations.

ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN 2024/25

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025 UNTIL DATE OF RE-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
3.1.3	Sustainable public finances	Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	3	3	3	This is an annual target, therefore, there were no targets were set for quarters 1 to 3	This is an annual target, therefore, there were no targets were set for quarters 1 to 3	N/A	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator
3.1.6	Coherent Economic policy advocated	Approved catalytic projects	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns	31	40	35	38	3	Over-performance is attributed to the approval of the multiyear project pipeline, which is intended to ensure the continuity of projects and their alignment with planned cash flows	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator
3.1.11	Sustainable public finances	Redesigned municipal finance improvement	Redesign of the municipal finance	#	#	Redesigned municipal finance improvement	Quarter 1 Municipal finance improvement	Quarter 1 Municipal finance improvement	Quarter 1 Under-performance is attributed to	The amendment is attributable to this area of work being restructured as a

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PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025 UNTIL DATE OF RE-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
		programme	improvement programme			programme model approved	programme redesign inception report not approved Quarter 2 No target set for this period Quarter 3 Draft municipal finance improvement programme redesign programme model not submitted	programme redesign inception report not approved Quarter 3 Draft municipal finance improvement programme redesign programme model not submitted	the redesign of the municipal finance improvement programme being impacted by the broader review of the municipal conditional grants and local government support programmes Quarter 3 Under-performance is attributed to this work being suspended until the outcome of the conditional grant review process	result of the conditional grant review process

RE-TABLED ANNUAL PERFORMANCE PLAN 2024/25

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
APP #	**OUTCOME**	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2022/2023**	**AUDITED ACTUAL PERFORMANCE 2023/2024**	**PLANNED ANNUAL TARGET 2024/2025**	**ACTUAL ACHIEVEMENT 2024/2025**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT**	**REASONS FOR DEVIATIONS**
3.1.1	Sustainable public finances	Published budget legislation and documentation	Published budget legislation and documentation	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	N/A	N/A
				Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	N/A	
3.1.2		Division of Revenue Bill Division of Revenue Amendment Bill	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	2	2	2	N/A	N/A
3.1.3		Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	3	3	2	4	2	Over-performance is attributed to additional reforms identified out of the conditional grant review process
3.1.4		Progress reports on the economic development strategies produced	Number of progress reports on the implementation of the township economic development strategies	#	1	1	1	N/A	N/A

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
			produced						
3.1.5		Infrastructure plans assessment reports	Percentage of infrastructure plans assessment reports reviewed	100%	100%	100%	100%	N/A	N/A
3.1.6	Coherent economic policy advocated	Catalytic projects prioritised for implemen-tation	Number of catalytic projects prioritised for implementation	#	#	18	26	8	Over-performance is attributed to the approval of the multiyear project pipeline, which is intended to ensure the continuity of projects and their alignment with planned cash flows
3.1.7	Sustainable public finances	Quarterly financial status reports	Number of quarterly financial reports published	8	8	8	8	N/A	N/A
3.1.8		Financial recovery plans	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days of receipt	0%	33.33%	100%	57.14%	-42.86%	Under-performance is attributed to delays experienced in intergovernmental relations consultation processes
3.1.9		SCOA reports	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	4	4	4	N/A	N/A
3.1.10		Functional budget group reports	Number of functional budget group reports produced	#	#	7	7	N/A	N/A

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
3.1.11		Technical advisors in place	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the municipal finance improvement programme (MFIP)	65	75	80	104	24	Over-performance is attributed to the procurement of additional TAs to meet the growing need for direct technical assistance at the NT, provincial treasuries and municipalities to bolster efforts in improving financial management in local government
3.1.12		Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	R6 465m	R7 190m	R7 513m	R7 576m	R 63m	Over-performance is attributed to effective and active project management processes

04 PERFORMANCE INFORMATION BY PROGRAMME

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
3.1.8	Sustainable public finances	Financial recovery plans	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days of receipt	Under-performance is attributed to delays experienced in the intergovernmental relations consultation processes	The financial recovery plan has since been finalised subsequent to the stipulated 90 days

CHANGES TO PLANNED TARGETS

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025 UNTIL DATE OF RE-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
3.1.3	Sustainable public finances	Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	3	3	3	This is an annual target, therefore, there were no targets were set for quarters 1 to 3	This is an annual target, therefore, there were no targets were set for quarters 1 to 3	N/A	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator
3.1.6	Coherent economic policy advocated	Approved catalytic projects	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns	31	40	35	38	3	Over-performance is attributed to the approval of the multiyear project pipeline, which is intended to ensure the continuity of projects and their alignment with planned cash flows	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator
3.1.11	Sustainable public finances	Redesigned municipal finance improvement programme	Redesign of the municipal finance improvement programme	#	#	Redesigned municipal finance improvement programme model approved	Quarter 1 Municipal finance improvement programme redesign inception report not approved	Quarter 1 Municipal finance improvement programme redesign inception report not approved	Quarter 1 Under-performance is attributed to the redesign of the municipal finance	The amendment is attributable to this area of work being restructured as a result of the conditional grant review process

04 PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT											
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025 UNTIL DATE OF RE-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
							Quarter 2 No target set for this period Quarter 3 Draft municipal finance improvement programme redesign programme model not submitted	Quarter 3 Draft municipal finance improvement programme redesign programme model not submitted	improvement programme being impacted by the broader review of municipal conditional grants and local government support programmes Quarter 3 Under-performance is attributed to this work being suspended until the outcome of the conditional grant review process	

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT	2023/24			2024/25		
	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	21 861.80	19 880.81	2 000	18 200	17 855	345
Public Finance	77 725.00	76 098.33	2 000	79 844	79 503	341
Budget Office and Coordination	74 247	73 260	1 000	74 773	74 285	488
Intergovernmental Relations	163 475	143 836	20 000	185 026	184 292	734
Financial and Fiscal Commission	59 084	59 084	-	60 266	60 266	-
Facilitation of Conditional Grants	2 384 589	2 384 589	-	2 423 980	2 423 980	-
Catalytic Infrastructure and Development Support Programme	567 559	567 219	340	809 284	628 667	180 617
Government Technical Advisory Centre	655 226	653 704	2000	417 789	120,697	297 092
Total	**4 003 767**	**3 977 671**	**26 096**	**4 069 162**	**3 589 545**	**479 617**

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 the 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 of schedule 2 and 3B public entities submitted within the PFMA-stipulated deadlines were reviewed during the period under review. Ongoing assessments were conducted of these SOCs' alignment with government priorities, strategies and financial performance, as well as soundness of corporate governance. The aim of this was to proactively identify possible risks so that appropriate mitigating actions could be taken. 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.

Since April 2020, the Land Bank has been negotiating with its lenders to rectify its default status through a liability solution process. In September 2024, the bank entered into an agreement with the lenders and has since begun implementing the liability solution as the default position has been cured.

During the period under review, guarantees were issued to the TCTA. The guarantees to Eskom, the TCTA, South African Airways and Transnet were regularly monitored. Quarterly reports on compliance with guarantee conditions were provided to the fiscal liability committee.

Denel was recapitalised with R3.4 billion, subject to meeting milestones. As part of implementing the entity's turnaround plan, these funds were expected to enable it to cover legacy obligations, invest in essential capital projects and optimise restructuring. These entities were recapitalised as per the Special Appropriation Act (2022). For South African Airways to exit business rescue, a settlement agreement was reached between its business rescue practitioners and its creditors. The settlement provided for a gradual payment of historical debts.

As at 31 March 2025, the Minister of Finance approved the disbursement of R64 billion to Eskom as part of the R66 billion Eskom debt relief package for 2024/25. Of this allocation, R8 billion was converted to equity after Eskom complied with all the strategic conditions for the periods ending September 2024 and December 2024. The Eskom Debt Relief Amendment Bill was gazetted in April 2024. The amendment empowers the minister to charge interest on the Eskom debt relief package and reduce allocations should Eskom not comply with the conditions of the Eskom Debt Relief Act (2023). As at 31 December 2024, government's exposure in terms of Eskom's guaranteed debt (including interest and inflation) amounted to R360.3 billion. As at 31 March

04 PERFORMANCE INFORMATION BY PROGRAMME

2025, Eskom paid more than R700 million in interest to the fiscus. The availability period of the R350 billion guarantee framework agreement ended on 31 March 2023. Eskom has used R326 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 as well as a special purpose vehicle proposed by Rand Water for water services in Emfuleni local municipality. 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 Eskom, Rand Water, the Industrial Development Corporation and TCTA, were considered.

On 13 September 2024, Fitch Ratings affirmed South Africa's BB- credit rating and "stable" outlook. According to Fitch, South Africa's credit rating is constrained by low real GDP growth, high inequality, a high and rising government debt-to-GDP ratio and a modest path of fiscal consolidation.

On 15 November 2024, S&P Global Ratings revised South Africa's outlook from "stable" to "positive" and affirmed the sovereign's long-term foreign and local currency debt ratings at BB- and BB, respectively. According to S&P, the positive outlook reflects the agency's view that increased political stability after the May 2024 general elections and impetus for reform could boost private investment and GDP growth. S&P further stated that since the formation of the new broad coalition of 11 political parties under the government of national unity, debt yields and portfolio inflows improved, leading to easing financing conditions and currency strengthening.

On 3 December 2024, Moody's Investors Service affirmed South Africa's credit rating at Ba2 and maintained a "stable" outlook. The ratings affirmation reflects South Africa's credit strengths from effective, core institutions such as the judiciary and SARB, a robust and deep financial sector, and a solid external position. However, the ratings affirmation acknowledged chronic challenges posed by inequality that hamper progress and fuel social risk; as well as persistent structural constraints on economic growth, and relatively high and costly government debt.

During the year under review, government successfully financed the gross borrowing requirement of R408.8 billion. This was done through net issuance of domestic short-term loans (R39.5 billion), domestic long-term loans (R347.7 billion) and foreign loans of R67.4 billion (equivalent to US$3.7 billion). In addition, cash and other balances increased by R45.8 billion. During the period under review, R85.6 billion (in cash) of short-dated bonds were exchanged for long-dated bonds.

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The stock of government debt increased by R434.1 billion, from R5.3 trillion in March 2024 to R5.7 trillion in March 2025, while strategic risk benchmark indicators remained within recommended limits. The cost of servicing government debt amounted to R385.8 billion, lower than the revised budget estimate by approximately R3.7 billion. During the reporting period, domestic and foreign loans amounting to R98.5 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 8.3 per cent. The cost of funding comprises fixed-rate bonds, which contributed 11.1 per cent; inflation-linked bonds, which contributed 4.9 per cent; floating rate notes, which contributed 8.9 per cent; and Treasury bills, which contributed 7.9 per cent.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	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%	100%	100%	96%	-4%	Under-performance is attributed to the omission of one annual report submitted for review
4.1.3		Reviewed complete applications	Percentage of complete PFMA section 51(g), 52, 54(2), 55, and 92 applications received from schedule 2 and 3B public entities reviewed	93%	100%	100%	100%	N/A	N/A
4.1.4			Percentage of complete review requests of borrowing limit applications relating to schedule 2 and 3B public entities reviewed	100%	100%	100%	75%	-25%	Under-performance is attributed to resource constraints, which resulted in the delay in the finalisation of the review of the submitted applications
4.1.5			Percentage of complete guarantee applications received from schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	N/A	N/A

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
4.1.6		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%	N/A	/A

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

UNDERPERFORMING INDICATORS AND ACTION PLANS					
PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT					
APP#	OUTCOME	OUTPUT	OUTPUT INDICATOR	REASON FOR DEVIATION	ACTION PLAN
4.1.2	Sound financial controls and management of public finances	Reviewed planning and performance documents	Percentage of annual reports received from schedule 2 and 3B public entities reviewed	Under-performance is attributed to the omission of one annual report submitted for review	Controls have been put in place to ensure timely correlation between submission and the review process
4.1.4		Reviewed complete applications	Percentage of complete review requests of borrowing limit applications relating to schedule 2 and 3B public entities reviewed	Under-performance is attributed to resource constraints, which resulted in the delay in the finalisation of the review of the submitted applications	The division is in the process of addressing the resource constraints identified

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	2023/24			2024/25		
	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	51 858	51 474	0	31,774	27,621	4,153
State-owned Entity Financial Management and Governance	540 253	540 133	0	42,089	42,030	59
Government Debt Management	22 943	23 076.60	-0	25,554	25,201	353
Financial Operations	32 065	31 295.95	1	34,019	31,632	2,387
Strategy and Risk Management	10 534	10 381	0	11,728	11,456	272
Total	**657 653**	**656 361**	**1**	**145,164**	**137,940**	**7,224**

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

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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, which was reported on quarterly basis. Formalised consultative processes and the introduction of the amendments in Parliament were set to take place in 2025/26.

In 2024/25, the National Treasury conducted a review of the cost-containment measures dealing with expenditure related to consultants, entertainment allowances, travel and subsistence, hosting and attendance at conferences and social/team building events, as prescribed in Instruction 3 of 2017/18 and instructions 6 and 7 of 2022/23. Accounting officers and authorities were required to ensure compliance and develop policies that support the revised cost-containment measures relating to expenditure on consultants, the attendance and hosting of conferences, and travel and subsistence. The measures also included proposed amendments to the ministerial handbook to align with the revised cost-containment measures, specifically on travel costs as contained in Instruction 1 of 2024/25 and national travel guidelines. The OAG was also instrumental if drafting an instruction dealing with sponsorships for the South Africa's year-long presidency of the G20.

Information and advocacy sessions were provided upon request by accounting officers and authorities of PFMA institutions to ensure that they comply with the legislative framework. These sessions were attended by, among others, members of boards, executive management, and

financial and non-financial practitioners. They dealt with various topics related to the PFMA, Treasury regulations, and irregular, fruitless and wasteful expenditure. Assistance was also provided on the interpretation, application and implementation of the PFMA and its prescripts throughout the year under review.

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, and how to deal with audit disputes. 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 2024/25, 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. These queries were mostly related to the non-payment of invoices by provincial departments of health.

The OAG developed a progress report on the improvement of financial management and compliance in PFMA institutions for 2024/25. 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. A summary was provided of the initiatives undertaken by the OAG to support PFMA institutions.

The division continued to oversee the MFMA helpdesk, which is a key communication mechanism through which municipalities, municipal entities, provincial treasuries and other key stakeholders submit queries in relation to the interpretation and implementation of the MFMA. Accordingly, during the period under review, the department used the platform to provide support and assistance on various issues such as municipal budgeting; unauthorised, irregular, fruitless and wasteful expenditure; long-term borrowing; long-term contracts; land disposals and leases; and annual reporting, including providing guidance and support on the implementation of chapter 15 of the MFMA to address incidences of financial misconduct. Most queries were received through the MFMA helpdesk and a small percentage was received through formal letters from municipalities. The department also assisted with facilitating audit-related matters and disputes during the audit process.

As part of supporting and guiding municipalities and municipal entities on the implementation of the MFMA, the department also issued MFMA circulars. This included circular 131, which

04 PERFORMANCE INFORMATION BY PROGRAMME

provides guidance to municipalities on the transfer of funds to organisations and bodies outside government.

Additional assistance was provided through workshops, training, knowledge-sharing and capacity-building sessions, which focused on building capacity in municipal public accounts committees as well as disciplinary boards on their roles and responsibilities in addressing unauthorised, irregular and fruitless and wasteful expenditure and investigating allegations of financial misconduct. The department also supported municipal public accounts committees and disciplinary boards by reviewing their terms of reference to ensure that they are aligned with their roles and responsibilities as legislated in the MFMA to avoid duplications and delays in addressing matters. During the period under review, the terms of reference for three municipalities were reviewed.

During the period under review, the National Treasury launched and rolled out the Muni eMonitor system. The system aims to: strengthen the capacity and capability of municipalities and municipal entities to comply with the provisions of the MFMA and its regulations; improve information flows for public accountability; and enhance monitoring, oversight, support measures and effective reporting by various stakeholders in municipalities, municipal entities, and the national and provincial treasuries. Numerous capacity-building sessions were undertaken with various stakeholders and Muni eMonitor champions were identified in every municipality and provincial treasury.

The National Treasury was also in the final stages of producing a MFMA compliance report for the 2023/24 municipal financial year. The primary data contained in the report was based on information submitted by municipalities on the Muni eMonitor system and other related sources. The objective of the report is to provide the consolidated status of MFMA compliance and implementation across all provinces. The report will be finalised and published once approval has been obtained from the Minister of Finance.

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 2024/25 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.

During the period under review, updates to all 12 accounting manuals were published in support of the application of the modified cash standard applied by national and provincial departments. Additional illustrative guides and tools were developed to help departments understand and apply changes to the modified cash standard that came into effect from 1 April 2023. A webpage on the modified cash standard was developed that allows practitioners to gain a high-level understanding of the requirements per chapter and access useful supporting documents associated with each.

Support was also offered to departments during the audit cycle through responses to queries, engagements with the AGSA and the issuing of FAQs for quick reference.

The division continued supporting the work of internal auditors and risk management professionals in PFMA and MFMA spending agencies. 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 public sector audit committee's facilitation of new committee inductions, the attendance of audit committee meetings and responses to queries on the application of legislative prescripts. Risk management committees also received support on the risk management framework and the embedding of risk management practices. State-of-readiness reviews were conducted to determine the effectiveness of internal audit functions and measure the quality of work performed within them. Reports generated from these reviews informed how additional support was to be provided.

A more focused view of management was taken in the period under review to address the skills shortfalls that are relevant for public financial management. Sustainability strategies were explored to enhance conditions that allow progress made through programme interventions to be embedded within the identified pilot provinces and municipalities.

04 PERFORMANCE INFORMATION BY PROGRAMME

The implementation of the internship programme, which is funded through the *financial management grant*, continued in 2024/25. Regular performance evaluations, rotational workplans and absorbing interns at the end of their training period helped improve the programme. The verification process to implement this programme is now managed through an e-interface with the support of the relevant provincial treasuries. All interns now have formal contracts in place across the eight pilot municipalities.

Four public finance management capacity-building steering committee meetings were held during the reporting period. The committee oversees the implementation of donor-funded programmes and ensures coherence and synergies between different public finance management capacity building programmes, whether funded through the fiscus or donors. To keep development partners abreast of public finance management reforms and initiatives, two donor coordination forums were hosted with the aim of mobilising resources to support these initiatives.

The procurement, infrastructure and knowledge management programme, funded by the Swiss State Secretariat for Economic Affairs, concluded in December 2024, and the final report was submitted. A proposal for a second phase of the programme to run from 2025 to 2029 was submitted to the secretariat and approved with a budget of almost R140 million. A proposal was also submitted to the EU for the continuation of the financial management improvement programme that ended in March 2024.

The demand planning skills programme, which was funded through the Public Service Education and Training Authority, was delivered across all provinces and a total of 461 SCM staff were trained. Similarly, the New Zealand embassy provided funding to train 598 municipal councillors through the customised SCM executive development programme, which is aimed at empowering councillors on the regulatory framework underpinning municipal SCM and their oversight role.

Continual support was 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.

In addition, support was provided to municipal chief executives and skills development practitioners to ensure that through the local government financial management grant, municipalities provided opportunities to unemployed graduates in line with the municipal finance management internship programme guideline issued by the National Treasury. Throughout the financial year, internship verifications were conducted countrywide, except in KwaZulu-Natal, which has not provided dates for verification. The outcome of the verification revealed that approximately 670 interns were employed by municipalities in eight provinces during the period under review. 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.

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 2025, while 32 were still in various stages of the programme.

Ongoing development took place for MFMA-related competency statements for asset management, management accounting, financial accounting, and revenue and expenditure.

Ongoing support was also provided to provincial treasuries, municipalities and government departments through advocacy, joint meetings, and one-on-one engagements. Key stakeholder engagements on SCM-related initiatives were held through SCM/chief financial officer forums. Introductory meetings were coordinated with the South African Local Government Association, provincial treasuries and municipalities on the pilot delivery of the SCM executive development programme for councillors.

Support was provided and contributions were made to the development and professionalisation of the SCM function as a discipline. This was done through the interim SCM council, which formally participated and submitted input, comments and recommendations to the Department of Public Service and Administration and National School of Government's coordinating team for professionalising the public service.

Work continued to ensure that government operations ran optimally. This included ongoing maintenance and the adoption of the PERSAL government payroll system, the LOGIS logistical information system, the basic accounting system and Operation Vulindlela to comply with policy and user requirements.

All assignments leading up to pilot implementation were completed during the reporting period. These included a change readiness assessment, pre-common design training for pilot and lead sites, and the conceptual model for the integrated financial management system centre of excellence. However, the investigation has been completed and the National Treasury has informed the AGSA as part of the audit that the report has been taken on review.

Investigative capacity on critical forensic investigations related to public procurement was provided to law enforcement agencies, the National Prosecuting Authority and the South African Police Service in the criminal investigation of complex commercial crime cases. These included cases related to the procurement of personal protective equipment during the COVID-19 pandemic. Cases were referred for criminal investigation, with advisory services provided to law enforcement agencies or anti-corruption task teams. To assist with building capacity in law enforcement institutions, national training sessions on PFMA and MFMA case law for criminal convictions were conducted with members of the Directorate for Priority Crime Investigation (the Hawks) and prosecutors from the Specialised Commercial Crime Unit.

Collaboration continued with the Asset Forfeiture Unit to recover state funds to the National Revenue Fund, as well as other assets lost through crime. The division was part of several teams that were involved in the protection of whistleblowers on foreign bribery.

04 PERFORMANCE INFORMATION BY PROGRAMME

A comprehensive assessment was done on the system of payroll deductions established in terms of Treasury Regulation 23. While the report is being processed, internal systems and processes for vetting applications for deduction codes were improved and contractual terms were enhanced to hold deduction code holders to a higher level of accountability.

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. Many provisions of the act require regulations to be in place before the accompanying provisions can be brought into operation. As at 31 March 2025, regulations to the act were being developed for promulgation during 2025/26. The act will come into effect on a date to be determined by the president by proclamation in the Government Gazette.

During the reporting period, the OCPO facilitated 24 transversal-term contracts and nine supplementary-term contracts, exceeding the targeted 13 contracts for the year. These contracts are designed to optimise the sourcing of goods and services by generating cost efficiencies and achieving economies of scale through bulk procurement. The contracts span key sectors including transport, medical services, education, voice and telecommunications, and clothing and textiles.

In line with its strategic objective to expand central procurement for commonly used goods and services, the office has assumed responsibility for facilitating a transversal term contract for the rollout of the smart meters' solution. This marks a significant milestone in transversal contracting. The smart meters are intended for deployment by various state entities providing electricity and water services, further reinforcing the OCPO's role in driving efficiency and value in centralised procurement.

Government's CSD continues to simplify and strengthen the accessibility of doing business with the state. As at 31 March 2025, there were 939 237 registered suppliers, of which 332 515 were women-owned, 256 961 were youth-owned and 8 885 were owned by people with disabilities. During the reporting period, the platform had multiple improvements, including integration with PSIRA for verification of security accreditation, beneficial ownership for companies owned by natural persons and proof of addresses.

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.

During the reporting period, the office conducted a risk assessment maturity model survey, which resulted in the development of the compliance risk assessment and monitoring tool, which is intended to be an early warning mechanism for institutions. The tool is designed to detect SCM risk and assess the SCM maturity level of institutions in all spheres of government. It is also envisaged that the tool will assist in reducing irregular expenditure and adverse audit findings due to its proactive approach. By the end of the reporting period, project development was in its final stages, with rollout expected in 2025/26.

A draft framework was developed for the professionalisation of SCM in the public service. Once adopted, the framework is expected to lead to an implementation roadmap in the coming year. The draft framework comprises four pillars – institutional, organisational, individual and stakeholders.

The OCPO regularly updates parliamentary committees on procurement-related matters of organs of state. In 2024/25, the office conducted an induction presentation to the new members of SCOA and SCOPA. These meetings were focused on the governance monitoring and compliance functions with regards to contract modifications and "procurement by other means" reports that are submitted by institutions. SCM support to institutions in all spheres of government was provided through workshops, site visits and advice on SCM matters. The office also provided input to various media queries during the reporting period. The uploading of restricted suppliers to the database is an ongoing exercise when such requests are received from institutions.

The process to review and enhance the strategic procurement framework was undertaken and concluded in 2023/24. Both the framework and good practice guides were updated and packaged in a web-based format. A total of 44 webinars were conducted between July and September 2024 with the aim of creating awareness of the framework across all spheres of government. Practical training was conducted on the framework with strategic sourcing champions of national and provincial departments during the second half of 2024/25.

During the period under review, research was conducted and concept papers were produced on value for money in the procurement cycle, the procurement of innovation, green/sustainable procurement, various procurement methods and infrastructure procurement. The aim of the research was to identify gaps in processes, understand the global application of such concepts and determine how they can be applied to the South African public procurement environment. The papers were concluded as concept papers and will undergo further development once the public procurement regulations are issued.

During the reporting period, the unit maintained its commitment to institutional support and engagement through SCM forums, targeting SOEs, national departments and provincial treasuries. These forums served as platforms for constructive dialogue on the challenges identified in the methodology for assessing procurement systems, an initiative led by the OECD

04 PERFORMANCE INFORMATION BY PROGRAMME

and World Bank. Through these engagements, stakeholders were able to explore strategic responses and collaborative solutions to enhance procurement efficiency and compliance.

In addition to its institutional engagements, the unit continued its academic collaboration with Vaal University of Technology. This partnership involved guest lecturing for students at multiple academic levels, ranging from first-year cohorts to postgraduate candidates. A comprehensive review of the university's existing curriculum in public procurement was undertaken to ensure alignment with contemporary industry standards and best practices. This review also informed the planned introduction of a specialised qualification in public procurement, which was scheduled for implementation in the next academic year.

The office collaborated with the National School of Government for a comprehensive review of financial management modules in the South African economic landscape. This initiative focused on local governance and strategic financial leadership, aiming to advance fiscal excellence in the public sector. The collaborative effort also evaluated the chief financial officer module, specifically examining strategic financial leadership in navigating fiscal excellence within the public sector.

ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN 2024/25

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 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025 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 enacted	#	#	PFMA and MFMA amendments submitted to Cabinet	Draft PFMA and MFMA amendments developed	N/A	N/A	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator
5.1.5		Statutory reports	Number of statutory reports produced	21	18	21	12	-9	Under-performance is attributed to delays in receiving external inputs required	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator

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 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	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	Percentage of norms and standards developed	100%	100%	100%	100%	N/A	N/A
5.1.2		Legislative reforms (Amendment of the PFMA and MFMA)	Amendments to the PFMA and MFMA published	#	#	PFMA and MFMA amendments published for public comments	PFMA and MFMA amendments not published for public comments	PFMA and MFMA amendments not published for public comments	Under-performance is attributed to an extended internal consultation and review process undertaken
5.1.3		Public Finance Management Capacity Development Programmes reports	Number of Public Finance Management Capacity Development Programmes progress reports produced	28	24	15	18	3	Over-performance is attributed to an increased demand for capacity development programmes to strengthen the implementation of both PFMA and MFMA reforms by public institutions
5.1.4		Transversal systems available	Percentage availability of transversal systems	100%	100%	98%	98%	N/A	N/A
5.1.5		Statutory reports	Number of statutory reports produced	21	18	19	19	N/A	N/A

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
5.1.6		Change requests on transversal systems implemented	Percentage of change requests on transversal systems implemented	#	#	95%	95%	N/A	N/A
5.1.7		SCM compliance report	Number of quarterly compliance reports produced	4	4	4	4	N/A	N/A
5.1.8		Approved SCM directives	Percentage of approved SCM directives	100%	No opportunity to demonstrate	100%	0%	-100%	Under-performance is attributed to a decision to restructure by consolidating various directives into a single directive
5.1.9		Progress reports on SCM institutional support	Number of progress reports on SCM institutional support programme conducted	4	3	4	4	N/A	N/A
5.1.10		Transversal-term contracts	Number of transversal-term contracts implemented	27	40	13	33	20	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
5.1.11		Strategic sourcing opportunities plan reports	Percentage implementation of the	98%	82%	100%	100%	N/A	N/A

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS									
APP #	**OUTCOME**	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2022/2023**	**AUDITED ACTUAL PERFORMANCE 2023/2024**	**PLANNED ANNUAL TARGET 2024/2025**	**ACTUAL ACHIEVEMENT 2024/2025**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT**	**REASONS FOR DEVIATIONS**
			strategic sourcing opportunities plan						
5.1.12		Procurement legislation	Procurement legislation developed	Public Procurement Bill submitted to Cabinet	Draft public procurement regulations not produced	Draft public procurement regulations produced	Draft public procurement regulations not produced	Draft public procurement regulations not produced	Under-performance is attributed to the delayed commencement of development of regulations as a result of preparatory consultations required with internal and external stakeholders

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

UNDERPERFORMING INDICATORS AND ACTION PLANS					
PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS					
APP#	**OUTCOME**	**OUTPUT**	**OUTPUT INDICATOR**	**REASON FOR DEVIATION**	**ACTION PLAN**
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 published	Under-performance is attributed to an extended internal consultation and review process undertaken	This work will continue in the first quarter of 2025/26
5.1.8	Sound financial controls and management of public finances	Approved SCM directives	Percentage of approved SCM directives	Under-performance is attributed to a decision to restructure by consolidating various directives into a single directive	The consolidation process is under way and is envisaged to be finalised in the second quarter of 2025/26
5.1.12	Sound financial controls and management of public finances	Procurement legislation	Procurement legislation developed	Under-performance is attributed to the delayed commencement of development of regulations as a result of preparatory consultations required with internal and external stakeholders	The process is under way and is envisaged to be finalised in 2025/26

CHANGES TO PLANNED TARGETS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025 UNTIL DATE OF RE-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS 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 enacted	#	#	PFMA and MFMA amendments submitted to Cabinet	Draft PFMA and MFMA amendments developed	N/A	N/A	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator
5.1.5		Statutory reports	Number of statutory reports produced	21	18	21	12	-9	Under-performance is attributed to delays in receiving external inputs required	The amendment is attributable to the strengthening of the technical indicator description to enhance the monitoring mechanisms of the indicator

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	2023/24			2024/25		
	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	8 620	8 400	220	7 827	7 741	86
Programme Management for Procurement Office	51 926	49 914	2 012	53 358	52 976	382
Office of the Chief Procurement Officer	83 022	79 229	3 793	87 592	86 817	775
Financial Systems	377 299	333 764	43 535	347 921	347 117	804
Financial Reporting for National Accounts	115 252	114 391	860	117 162	116 691	471
Financial Management Policy and Compliance Improvement	135 125	118 907	16 217	123 269	122 771	498
Service Charges: Commercial Banks	336	277	59	126	257	(131)
Audit Statutory Bodies	50 000	50 000	-	-	-	-
Total	**821 580**	**754 884**	**66 696**	**737 255**	**734 372**	**2 883**

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 subprogramme 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 within the divisional mandate.

International Economic Cooperation

This subprogramme focuses on improving South Africa's participation in international and regional economic institutions and organisations. This entails working through key economic institutions and forums 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 subprogramme 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.

04 PERFORMANCE INFORMATION BY PROGRAMME

International Development Funding Institutions

This subprogramme provides subscriptions and contributions to international development institutions, and multilateral banks (MDBs) and oversees South Africa's relationship with these institutions. It transfers funds to the AfDB, the World Bank Group (WBG) and the MDBs to buy shares that contribute to 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 subprogramme transfers funds to international projects and interventions. It 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 Immunisation (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 Union

The National Treasury continues to represent the Southern Africa region in the Committee of 15 Finance Ministers (F15) of the AU. The F15 plays a critical role since its establishment in 2017 to hold AU Commission accountable, ensure value for money, and enforce transparency on the implementation of the AU budget. Although participation in the F15 is intended to rotate every three years, this has not been applied since 2016 due to a delay in approving the F15 rules of procedure. This is due to the request by tier 1 countries (South Africa, Nigeria, Egypt, Morocco and Algeria) to be permanent members of the F15. 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 F15 rules of procedure. However, this remains incomplete as the F15 secretariat is yet to convene the requested meeting. As such, South Africa continues to participate in the F15 committee until the rules are finalised. During the reporting period, the National Treasury participated in the annual budget process of the AU in which the Executive Council approved US$609 million, of which US$200 million was contributed by member states (South Africa's contribution was US$15 million) towards the overall budget of the AU for 2024/25. South Africa's contribution as a tier 1 country amounts to 7.5 per cent of the overall member state contributions to the AU's budget.

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. With SARB, the National Treasury further participates 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 all AU financial institutions within the context of the current economic environment in Africa, 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 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. The National Treasury manages the common revenue pool in terms of the 2002 SACU Agreement. The division exercised oversight by ensuring effective financial governance of the SACU secretariat by participating in the quarterly finance, risk and audit committee meetings. In addition, 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 finance, risk and audit committee from 15 July 2024 to 14 July 2025, and the division has chaired three finance, risk and audit committee meetings. As progress towards the reimagination of SACU, the commission held its first retreat in Swakopmund, Namibia, in October 2024, and its recommendations are for consideration by the SACU Council at the level of ministers. In July 2025, South Africa will assume chairship of SACU, including institutions such as 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. During the reporting period, a payment of R1.2 billion to Eswatini, Lesotho and Namibia was made 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.

04 PERFORMANCE INFORMATION BY PROGRAMME

Southern African Development Community

South Africa's engagement in 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 finance track-related matters. During the period under review, the National Treasury supported the Minister of Finance during the SADC Committee of Ministers of Finance and Investment meeting, which reflected on the region's performance against the SADC macroeconomic convergence targets, the SADC candidate for AfDB president, and the operationalisation of the Regional Development Fund. The committee also approved and recommended the 2025/26 budget of the SADC Secretariat 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. Reports of the finance committee were approved at council meetings held in August 2024 and March 2025.

Global and emerging markets

New Development Bank

During the period under review, South Africa hosted a successful ninth Board of Governors annual meeting of the New Development Bank in Cape Town from 28 August to 1 September 2024. The theme was "investing in a sustainable future". More than 600 delegates attended the event from BRICS countries. Two key highlights for the National Treasury were the signing of a R5 billion loan facility for Transnet and the approval of US$1 billion funding for a water and sanitation project under the *municipal infrastructure grant*.

Since joining the New Development Bank in 2015, South Africa has secured project loan funding amounting to US$7.1 billion for various sectors, of which US$3.6 billion has been disbursed.

G20

The National Treasury led South Africa's effective engagement and coordination with the finance track of the G20 under the Brazilian G20 presidency. In parallel, the National Treasury prepared and planned for South Africa's presidency of the G20 in December 2024.

The National Treasury provided support to the president's successful engagement at the Rio de Janeiro G20 Summit in November 2024. At the summit, South Africa:

- supported the Brazil presidency's focus on social inclusion and the fight against hunger, and called on the G20 to ensure that the achievement of the sustainable development goals

- emphasised the need for the reform of the global governance institutions and called for a global financial system that is fit for purpose
- called for the strengthening of the multilateral trading system and World Trade Organisation reforms.

South Africa assumed the G20 presidency on 1 December 2024 under the theme, "solidarity, equality and sustainability". This marks the fourth consecutive emerging market presidency following Indonesia in 2022, India in 2023 and Brazil in 2024. It is also the first African presidency since the G20 was elevated to leader or head of state level in 2008 and follows the admission of the AU as the second permanent African member.

South Africa's presidency maintains a strong focus on challenges facing emerging markets and developing countries, especially in Africa. To affect this ambition, South Africa advocated the G20 to commit to increasing its efforts to implement the G20 common framework for debt treatments. In this capacity, South Africa also co-hosted a debt side event with the AfDB on 18 March 2025 to discuss African borrower country perspectives on debt restructuring and debt sustainability.

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 participated in the official creditor committee for Zambia as vice-chair, with France and China as co-chairs, and is also participating in the official creditor committees of Ethiopia and Ghana.

International Monetary Fund

The National Treasury successfully sustained the dialogue between South Africa and the IMF, including coordinating the IMF Article IV Consultation from 11 to 25 November 2024. South Africa's Article IV Report was published on 30 January 2025.

To magnify the impact of the IMF's general special drawing rights allocation of US$650 billion in August 2021, South Africa has been advocating for countries with strong external positions to voluntarily channel a share of their allocations to help vulnerable low-income and middle-income countries. In this regard, during the period under review, South Africa supported the global ambition to reallocate the US$100 billion in special drawing rights allocations to vulnerable countries. This ambition has now been met.

During the IMF/WBG annual meetings in October 2024, South Africa's new Africa Group 1 constituency at the IMF held its inaugural meeting, where South Africa and the other constituency members adopted the working rules and procedures of the new constituency. Prior to this meeting, the Minister of Finance advocated, during the various preparatory meetings in 2024, that South Africa's quota should be recognised in the new constituency, including through

a permanent second alternative executive director seat. This was eventually accepted by the constituency members and was a major achievement to ensure a strong South African voice.

Multilateral development banks and concessional finance

International organisations

Organisation for Economic Cooperation and Development

South Africa's relations with the OECD continue to be carried out through the enhanced engagement method. This aims to augment the participation of major emerging markets and developing economies in the daily work of the OECD. This augmentation is achieved by fostering collaboration and promoting the sharing of perspectives and policy approaches with OECD bodies, adhering to OECD legal instruments and integrating in the OECD's statistical databases and policy indicators.

During the reporting period, the focus was on ensuring alignment between the identified priorities of government as articulated in the MTDP and the joint work programme with the OECD. The joint work programme focuses on five key areas: inclusive growth and competitiveness, SMME development, trade and investment promotion, skills development, and institutional strengthening.

World Economic Forum

Support was provided to the president by the Minister of Finance and the South African government delegation to the annual meeting of the World Economic Forum. The highlight of this year's meeting was profiling South Africa's G20 presidency priorities. The delegation, which included government ministers and business representatives from across the world, effectively presented the country's policies and positions on domestic and international issues. The delegation also highlighted opportunities to attract foreign investment, foster partnerships and showcase South Africa's commitment to sustainable economic growth and innovation.

Concessional finance

International Development Association and African Development Fund

During the reporting period, South Arica supported the scaling up of concessional finance to low-income countries through the National Treasury's effective participation in the replenishment negotiations of the WBG's concessional fund, the International Development Association (IDA). This resulted in securing a historic commitment of up to USD100 billion for the 21st

replenishment of the IDA covering the period July 2025 to June 2028, as well as retaining key priorities such as job creation and private sector development as priority areas.

In 2024/25, the division supported South Africa's effective engagement in the African Development Fund (ADF), which is the concessional fund of the AfDB. The ADF17 working group focused on critical issues such as debt sustainability in African countries, as well as the fund's grant compensation mechanism in preparation for the ADF17 replenishment discussions, which are expected to take place in 2025. Through effective participation in the mid-term review by the National Treasury, key priorities such as job creation and private sector development were retained for the remainder of the ADF16 period.

Climate change

The division supported the National Treasury's participation in the just energy transition partnership, working closely with the project management unit that was established to coordinate the implementation of the partnership's investment plan. The division participated in an ad hoc work programme with the purpose of furthering negotiations on the new collective quantified goal for climate finance. The division also led South Africa's participation in the finance discussions in the United Nations framework convention on climate change at COP29, which saw the conclusion of the goal. It also provided guidance to the operating entities of the financing mechanism and the establishment of the Baku-to-Belem Roadmap to 1.3 trillion, with the goal to scale up climate finance for developing countries, aiming to mobilise at least US$1.3 trillion per year by 2035, expected to be approved at COP30 in November 2025.

During the period under review, the division provided support for the Minister of Finance's participation in international platforms, meetings and events regarding international climate finance issues and South Africa's just energy transition. The National Treasury's participation in the review of proposals to international climate funds, including the Green Climate Fund and the Global Environmental Fund, was facilitated.

Multilateral development banks

World Bank

During the period under review, continued support was provided to the Minister of Finance in his role at the World Bank. This was done to successfully advance the positions of South Africa and African countries within the context of World Bank discussions. This included South Africa's active participation in the biannual meetings of the World Bank Board of Governors, as well as supporting the work of South Africa's constituency at the World Bank. Key areas of discussion in the reporting period were the World Bank's evolution roadmap, which included measures to strengthen the WBG's financial capacity, operational efficiency and strategic direction to support job creation.

04 PERFORMANCE INFORMATION BY PROGRAMME

In the South Africa country partnership framework for 2022 to 2026, which underpins the collaboration between South Africa and the WBG, lending has increased the operational footprint of the World Bank's International Bank of Reconstruction and Development with a deepening and an expansion of the financing portfolio in the energy, urban, financial, water, transport sectors and subnational levels. The South African portfolio has also transitioned from a predominantly knowledge-based engagement with the World Bank to lending, thereby enabling an increase in support from the World Bank for South Africa's developmental priorities.

African Development Bank

In 2024/25, the division continued to support the Minister of Finance in his role at the AfDB to advance South Africa's positions. This included South Africa's active participation in the annual meetings of the AfDB's Board of Governors, as well as supporting the work of South Africa's constituency at the Bank. Through participation in these meetings, AfDB governors approved the 2024 to 2033 strategy, which outlines how the AfDB will confront Africa's pressing challenges and support sustained economic growth and prosperity. The Board of Governors also approved a US$117 billion general callable capital increase to preserve the AfDB's lending capacity and respond to the requirements of credit agencies.

The AfDB's 2023-2028 country strategy paper for South Africa continued to be implemented through lending and non-lending programmes to support the country in strengthening the foundation for private sector investment to bolster industrialisation and support higher long-term growth and job creation. In July 2024, a Transnet corporate loan of US$ 1 billion was approved as a public sector facility with a sovereign guarantee to support the entity's recovery and growth plans.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	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		Advocacy forums	Number of advocacy forums hosted for uptake of development finance	3	2	1	1	N/A	N/A
6.1.3		Country partnership framework progress reports	Number of country partnership framework progress reports produced	2	2	1	1	N/A	N/A
6.1.4		Engagement strategies and priorities developed	Number of engagement strategies and priorities developed	2	3	7	7	N/A	N/A
6.1.5		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	1	3	10	7	Over-performance is attributed to SACU, SADC and AU meeting dates being amended and occurring earlier than planned
6.1.6		Policy positions	Percentage of policy positions developed	100%	100%	100%	100%	N/A	N/A

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE (INDICATORS AND ACTION PLANS)

No underperformance

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS	2023/24			2024/25		
	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	15 787	14 657	1 130	18 454	16 202	2 252
International Economic Cooperation	40 527	35 127	5 400	62 991	46 765	16 226
African Integration and Support	1 537 974	1 505 453	32 521	1 420 118	1 240 538	179 580
International Development Funding Institutions	1 132 829	1 126 550	6 279	997 521	992 447	5 074
International Projects	26 995	25 871	1 124	27 158	25 497	1 661
Total	**2 754 112**	**2 707 658**	**46 454**	**2 526 242**	**2 321 449**	**204 793**

4.7 PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

Purpose: Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

Institutional outcomes

- Sound financial control and management of public finances

Subprogrammes

Civil Pensions and Contributions to Funds

This subprogramme, consisting of post-retirement medical benefits, injury on duty and special pensions, provides for medical subsidies to retired civil servants and pension payments to injured and disabled civil servants, to the beneficiaries of deceased civil servants and to former struggle veterans.

Other Benefits

This subprogramme processes the payment of benefits to former members of legislative assembles of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows in terms of the Judges' Remuneration and Conditions of Employment Act, 1989 (Act No.88 of 1989); and former state presidents or their widows.

Service delivery objectives and indicators

Recent outputs

During the period under review, the programme achieved 100 per cent against the targeted 99 per cent for the payment of validated benefits within stipulated timeframes. It paid out R7.4 billion in 2024/25 compared with R6.6 billion in 2023/24. This is attributed to an increase in medical subsidies paid and in injury on duty awards. The number of pensioners and beneficiaries increased by 3.8 per cent, from 179 894 in 2023/24 to 186 786 in 2024/25. This was due partly to 4.3 per cent increase in post-retirement medical subsidy pensioners and beneficiaries, from 159

04 PERFORMANCE INFORMATION BY PROGRAMME

379 in 2023/24 to 166 239 in 2024/25, and a 2.9 per cent increase in injury on duty awards from 10 000 in 2023/24 to 10 289 in 2024/24.

By maintaining continual monitoring and data cleansing, the programme achieved a 99.99 per cent resolution of the integrity of data against the targeted 99 per cent for the year under review. For fraudulent claims, the programme achieved a 100 per cent reduction against the targeted 98.5 per cent. This is attributed to effective and adequate internal controls and mitigating risks in the value chain.

Roadshows and member education drives were implemented in all provinces:

Eastern Cape (Bizana and East London), Free State (Phuthaditjaba), Gauteng (Hammanskraal and Sebokeng), KwaZulu-Natal (Stanger and Kokstad), Limpopo (Thohoyandou), Mpumalanga (Ermelo), North West (Zeerust), Northern Cape (Upington) and Western Cape (Mossel Bay)

Focus areas in 2024/25

The injury on duty and post-retirement medical benefits projects were finalised. The next phase will concentrate on implementation and the improvement of operational performance, specifically turnaround delivery timelines for processing the injury on duty awards. This will also enhance mitigating strategies to continue to improve internal controls for the exchange of information between the Government Pensions Administration Agency, the Compensation Fund and employer departments by replacing paper-based processing with electronic files.

It is anticipated that the Special Pension Amendment Bill will be finalised and implemented in 2025/26.

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
7.1.1	Sound financial control and management of public finances	Validated benefits payment reports	Percentage of benefits validated paid within liable dates	99.9%	100%	99%	100%	1%	Over-performance is attributed to continuous weekly monitoring of production stats and proactively addressing challenges
7.1.2		Fraudulent claims reports	Percentage reduction of fraudulent claims	99.9% fewer fraudulent claims than 2021/22	99.99% fewer fraudulent claims than 2022/23	98.5% fewer fraudulent claims than 2023/24	100% fewer fraudulent claims than 2023/24	1.5% fewer fraudulent claims than 2023/24	Over-performance is attributed to proactively review and checking benefit claims with the assistance of the Forensic unit for marriage and beneficiary validations
7.1.3		Exceptions report	Percentage integrity of client data	99.9%	99.99%	99%	99.99%	0.99%	Over-performance is attributed to the continuous monitoring of membership data and addressing identified exceptions

04 PERFORMANCE INFORMATION BY PROGRAMME

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

No underperformance.

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 7: CIVIL AND MILITARY PENSIONS CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	2023/24			2024/25		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDEREXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDEREXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Government Pensions Administration Agency	62 482	62 481	1	64 675	64 722	(47)
Civil and Pensions Funds	6 373 436	6 373 367	69	7 067 295	7 066 735	560
Military Pensions and Other Benefits	223 820	223 817	3	233 085	233 040	45
Total	**6 659 738**	**6 659 665**	**73**	**7 365 055**	**7 364 497**	**558**

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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	14 825	14 825	Refer to General information: Public entities reporting to the minister
2. Co-operative Banks Development Agency	Regulate, promote and develop cooperative banking, including deposit-taking and lending cooperatives	16 850	16 850	Refer to General information: Public entities reporting to the minister
3. Financial and Fiscal Commission	Assist and maintain the balance between fiscal decentralisation and the unitary state	60 266	60 266	Refer to General information: Public entities reporting to the minister
4. Financial Intelligence Centre	Assist in the identification of unlawful activities, the combating of money laundering activities, and the financing of terrorism and related activities	400 871	400 871	Refer to General information: Public entities reporting to the minister
5. Government Technical Advisory Centre	Support public finance management through professional advisory services, programme and project management and transaction support	72 707	72 707	Refer to General information: Public entities reporting to the minister
6. Independent Regulatory Board for Auditors	Registration of auditors and regulation of the training of public	47 421	47 421	Refer to General information: Public

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
	accountants and auditors			entities reporting to the minister
7. South African Revenue Service*	Efficient and effective collection of revenue	12 388 563	12 388 563	Refer to General information: Public entities reporting to the minister
*The Office of the Tax Ombud receives transfers through SARS				

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	928	928	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	1 235 452	1 235 452	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	19 189	19 189	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	1 477	1 477	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	109 208	109 208	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	2 681	2 681	Not applicable
14. Commonwealth Fund for Technical Cooperation	Foreign and international organisation	Provide support for common secretarial goals and programmes on an annual basis	Yes	6 308	6 308	Not applicable

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
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: Programme project preparation support grant

Department/Municipality that transferred the grant	• National Treasury
Purpose of the grant	• Support metropolitan municipalities to develop a pipeline of investment-ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation, and allocating a growing level of municipal resources to preparation activities
Expected outputs of the grant	• Effective and transparent system for project approvals (a clearly defined authorising environment) in metropolitan municipalities • Increased investment in programme and project preparation by metropolitan municipalities • Credible pipeline of bankable projects developed by metropolitan municipalities • Improved project partnerships between metropolitan municipalities and the private sector • Number of feasibility studies/strategies completed • Long-term programmes/projects to attract private investment and improve metropolitan municipalities' revenue collection
Actual outputs achieved	• Five cities have functional authorising environments (City of Ekurhuleni, City of Cape Town, City of Tshwane, City of Johannesburg and Buffalo City). Other cities are in progress. • Increased investment in programme and project preparation by metropolitan municipalities
Amount per amended DORA	• R385.84 million
Amount transferred (R'000)	• R385.84 million
Reasons if amount as per DORA not transferred	• Not applicable
Amount spent by the department/ municipality (R'000)	• R385.84 million was transferred to eight metropolitan municipalities
Reasons for the funds unspent by the entity	• Not applicable
Reasons for deviations on performance	• Not Applicable

06 CONDITIONAL GRANTS

Measures taken to improve performance	• Panel for professional service providers set up for any metro requiring technical assistance
Monitoring mechanism by the transferring department	• Submit a work plan of activities relating to the establishment and institutionalisation of programme and project preparation • Compile and submit monthly and quarterly expenditure and progress reports in line with neighbourhood development partnership grant requirements and as stipulated in the 2024 Division of Revenue Act • Engage stakeholders to develop partnerships that leverage funding into the targeted locations • Implement the work plan and report on progress

Conditional grant 2: Infrastructure skills development grant

Department/Municipality that transferred the grant	• National Treasury
Purpose of the grant	• 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 • Number of graduates registered as professionals by the relevant statutory councils • Number of graduates employed as registered professionals within the built environment in local government
Actual outputs achieved	• During the reporting period, 400 graduates were in-training. • From 2012/13 to 2024/25, a total of 452 graduates successfully completed training and are registered as professionals. The cumulative output is reflected as recruitment as it is not conducted on an annual basis – 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 • From 2012/13 to 2024/25, 384 graduates have been permanently employed within municipalities and across other sectors
Amount per amended DORA	• R165.365 million
Amount transferred (R'000)	• R165.365 million
Reasons if amount as per DORA not transferred	• Not applicable
Amount spent by the department/ municipality (R'000)	• R165.365 million was transferred to infrastructure skills development grant participating municipalities • Municipalities spent R109.476 million of the allocated R165.365 million
Reasons for the funds unspent by the entity	• Spending was affected by slow recruitment of graduates by municipalities

Reasons for deviations on performance	• Not applicable
Measures taken to improve performance	• Municipalities to increase the number of graduates recruited. Graduates will be enrolled to attend the relevant courses and training
Monitoring mechanism by the transferring department	• Municipalities submit monthly, quarterly and annual reports reflecting their financial and non-financial performance. • The National Treasury hosts grant workshops with municipalities to discuss grant progress and continually provide support and guidance towards the implementation of the grant

Conditional grant 3: Neighbourhood development partnership grant

Department/Municipality that transferred the grant	• Natioal Treasury
Purpose of the grant	• Plan, catalyse, and invest in targeted locations to attract and sustain third-party capital investments aimed at spatial transformation that will improve quality of life and access to opportunities for residents in South Africa's targeted locations and underserved neighbourhoods (generally townships and rural towns)
Expected outputs of the grant	• 35 catalytic projects • 6 investment plans • 8 public employment programme business plans
Actual outputs achieved	• 44 catalytic projects approved at municipal year-end • 6 investment plans approved at year-end • 8 public employment programme business plans
Amount per amended DORA	• Schedule 5B: R1 290.552 billion; schedule 6B: R94.89 million
Amount transferred (R'000)	• Schedule 5B: R1 290.552 billion; schedule 6B: R94.89 million
Reasons if amount as per DORA not transferred	• Not applicable
Amount spent by the department/ municipality (R'000)	• Schedule 5B: R1 290.552 billion • Schedule 6B: R93.924 million
Reasons for the funds unspent by the entity	• For schedule 6B, R96 058 was unspent because of delays in work deliverables in some of the participating municipalities. These unspent funds were paid back to the National Treasury (Revenue Fund)
Reasons for deviations on performance	• Overperformance 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
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

06 CONDITIONAL GRANTS

Monitoring mechanism by the transferring department	• Actual spend measured against baseline management cash flows, public employment programme business and implementation plans, investment planning review sessions and work plans

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	• R582.223 million
Amount transferred (R'000)	• R582.223 million
Reasons if amount as per DORA not transferred	• Not applicable
Amount spent by the department/ municipality (R'000)	• R582.223 million was transferred to municipalities. • Municipalities spent R320.342 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 2024/25, municipalities have three additional months (April, May and June) to spend grant funds • 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.

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DONOR **FUNDS**

7.1 DONOR FUNDS RECEIVED

DONOR FUND: New Zealand High Commission

Name of donor	• New Zealand High Commission
Full amount of the funding	• R800 000
Period of the commitment	• 7 December 2023 to 6 December 2024
Purpose of the funding	• Review, update, customise and align the current SCM executive development programme learning material for the MFMA context, incorporating best practices from New Zealand as provided by the National Treasury and for a face-to-face delivery modality and pilot delivery of the programme to councillors in selected municipalities in all provinces of South Africa
Expected outputs	• Inception report produced and programme strategy and design matrix (month 1) • Draft learning material produced for the programme for councilors (month 2) • Consultation workshop conducted on the draft learning material with the National Treasury policy owners and expert practitioners (month 2) • Pre-pilot learning material produced for the programme for councilors incorporating feedback and ready for approval prior to piloting (month 3) • 31 face-to-face training sessions of two days each conducted for 620 delegates across all provinces piloting the delivery of the programme for councilors (month 4 to month 10) • Training report produced covering all workshops delivered, attendance registers, and knowledge assessments pre- and post-workshops (month 11) • Draft post-pilot learning material produced for the programme for councilors updated to incorporate lessons learnt during the pilot delivery (month 11) • Consultation workshop conducted on the draft post-pilot learning material and training report with the National Treasury policy owners and expert practitioners (month 11) • Final post-pilot learning material produced incorporating feedback from the National Treasury and other stakeholders (month 12) • Quarterly brief interim progress reports produced (quarterly per workplan) • Closeout report, including a summary of observations/findings on successes, lessons learnt and recommendations (month 12)
Actual outputs achieved	• Inception report submitted • Programme strategy and design matrix developed • Learning material produced for the programme for councilors

07 DONOR FUNDS

	• Pre-pilot learning material produced for the programme incorporating New Zealand case studies • 598 municipal beneficiaries were trained in all provinces over a period of four months (July to October 2024) • Closeout report
Amount received in current period (R'000)	• No funds were received during this period
Amount spent by the department (R'000)	• R780 000
Reasons for the funds unspent	• N/A
Monitoring mechanism by the donor	• Quarterly progress reports approved by the National Treasury capacity building steering committee • Site visits to training venue

DONOR FUND: Swiss State Secretariat of Economic Affairs (SECO)

Name of donor	• SECO • Procurement, infrastructure and knowledge management (PINK) programme
Full amount of the funding	• R115 million (in kind)
Period of the commitment	• 2018 to 2024
Purpose of the funding	• Increase cost-effective, socially inclusive and sustainable service delivery at the provincial and local government levels. The three key result areas were: • more effective SCM (procurement) at local government level • enhanced infrastructure management (budgeting, planning and asset management) at local government level • crosscutting knowledge management and peer learning
Expected outputs	The expected outputs from the activities carried out over the period covered by this programme are: • concluding the remaining programme activities by December 2024 followed by a closeout report • Developing a programme document for PINK II for SECO's consideration
Actual outputs achieved	• Closeout report submitted • PINK II programme document (proposal) submitted to SECO and approved **Key result area 1** • SCM toolkits were updated to align with the 2022 preferential procurement regulations • Knowledge-sharing sessions were conducted on contract management and infrastructure procurement. Additionally, pilot

	municipalities received formal training in records management, bid committees and managing deviations • 6 SCM virtual sessions addressing various SCM topics were held to support municipalities • Technical advisers continued to provide support as per the municipal support plans • SCM reassessments using the financial management capability maturity model were completed in August 2024. The results indicated that SCM processes in the 8 pilot municipalities improved as a result of the programme • Supported the OCPO in developing the infrastructure procurement framework, which was completed in November 2024 **Key result area 2** • Supported the completion of the draft local government infrastructure delivery management system in May 2024 • Supported the provincial treasuries of Mpumalanga and Free State; 4 short-term technical advisers were engaged **Key result area 3** • Supported SCM and infrastructure management by hosting peer-learning activities in municipalities and by documenting and sharing lessons learned • The migration of certain parts of the integrated knowledge management system was successfully completed, and SCM toolkits developed by PINK were uploaded on to this system • A video was developed to enhance awareness of the existing body of knowledge established under key result areas 1 and 2
Amount received in current period (R'000)	• No funds were received directly from SECO, but in-kind support through Ecorys, the implementation agency. The total budget allocated for the period was R180 million
Amount spent by the department (R'000)	• Total spend in 2024/25 was R24 609 110.16
Reasons for the funds unspent	• Total unspent funds in relation to the total allocated budget was about R3.5 million. This amount could not be spent due to time constraints in appointing service providers for specific projects before the December 2024 deadline
Monitoring mechanism by the donor	• Quarterly progress reports approved by the National Treasury capacity building steering committee • Yearly implementation report • Monitoring site visits to provincial and municipal sites

2024/25

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PART B
PERFORMANCE INFORMATION

CAPITAL **INVESTMENT**

CAPITAL INVESTMENT 08

No capital investment was incurred during the 2024/25 financial year.

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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-centred and solutions-orientated approach to delivering on its mandate.

02 RISK MANAGEMENT

The structure of the Chief Risk Office has in the past year been augmented with capacity to ensure continued delivery of the risk management programme. The annual risk management plan was executed through facilitating risk identification and monitoring and reporting at strategic and operational levels. Continual efforts to entrench a risk management culture throughout the department were made through integration with assurance providers and advocacy programmes.

The National Treasury continues to maintain a risk maturity of level 5 by ensuring that best practice, standards and guidelines are adhered to. Risk reports to oversight structures that integrate performance reporting and audit findings formed part of decision-making in management structures. The compliance management function was propelled through recognition of the compliance universe consisting of the department's legislative obligations. This will subsequently set the foundation for monitoring compliance to key legislation and to managing risks that lead to adverse legal outcomes for the National Treasury. The department's business continuity management programme is continually improved to ensure organisational resilience. The business continuity management policy was approved in the reporting period to align departmental processes to best practice. The department initiated an organisation-wide business impact analysis project to ensure that the business continuity plan remains relevant and fit for purpose. This project will be finalised in the next reporting period. Continuity of operations is achieved through hybrid working strategies and the deployment of the virtual private network (VPN).

The department's Risk Management Committee (RMC) remains in place, and is responsible for providing oversight on the implementation of enterprise risk management (ERM) policies, systems and processes.

FRAUD AND CORRUPTION 03

The National Treasury remains resolute in its zero-tolerance stance on workplace fraud and corruption. This commitment was underpinned by the approval of the anti-corruption and ethics management policy, which brought about enhanced management of conflicts of interest, remunerative work outside the public service, gifts and the disclosure of financial interests. The department continues to implement preventative and detective controls to manage the risk of corruption in the workplace. These controls include pre-employment screening in the recruitment process and security vetting upon appointment, as well as company screening on the competitive bidding process. The anti-corruption and ethics risk profile was reviewed in the reporting period, and risk mitigation plans were monitored. Key departmental processes, including ICT systems, are subjected to regular review by internal and external assurance providers. Lifestyle reviews are conducted to act as a strong deterrent against the use of departmental processes for personal gain. Investigations are conducted on reports on alleged fraud, corruption and unethical conduct, and matters that are reported to law enforcement agencies are being followed up.

Awareness remains a key pillar in the department's anti-corruption efforts. The highlight of the annual awareness plan was the financial crimes webinar held to commemorate the International Anti-Corruption Day. The webinar was held to convey knowledge to National Treasury staff on what financial crimes are, defences to avoid falling victim to such crimes and an in-depth understanding of the whistle-blowing mechanisms in place for employees. Additional awareness is raised though workshops, email communication to all staff and one-on-one advisories.

04 CONFLICT OF INTEREST

The National Treasury implements various measures to manage the risk of conflicts of interest in the workplace. Amongst these is the implementation of the financial disclosure framework. For the reporting period, members of the 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 two officials in the assistant director category of designated employees did not disclose their financial interests 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 CSD identified potential conflicts of interest, and officials are engaged to remove such conflicts. Processes relating to gifts, donations and sponsorships to National Treasury staff are continuously improved upon to manage any real, perceived or potential conflicts of interest. The department implements prevailing prescripts in managing requests to perform other remunerative work by its staff. Failure to adhere to these ethical requirements is corrected using internal disciplinary processes.

Awareness campaigns on conflicts of interest are 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, the management of conflicts of interest.

CODE OF CONDUCT 05

The code of conduct for the public service details what is expected of National Treasury officials. The primary purpose of the code is to promote exemplary conduct by employees with a particular focus on: adherence to the Constitution and other laws, relationship with the public, ethical conduct, and the 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. 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 Management and Facilities Management units provide measures to ensure that it is compliant with occupational health and safety requirements. 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. The last meeting for the reporting period was on 17 February 2025.

A total of 80 Occupational Health and Safety Committee members were trained in first aid levels 1 and 2, firefighting, hazard identification and risk assessment, and environmental health and safety during third and fourth quarters of 2024/25.

VETTING 07

Security Management continued to vet employees at an appropriate level depending on the level of access to sensitive state information. The level of compliance with the vetting prescripts is at 98 per cent.

During this reporting period, Security Management conducted personnel suitability checks on all prospective candidates to ensure that the National Treasury 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 MTBPS.

08 PORTFOLIO COMMITTEES

PARLIAMENTARY COMMITTEES

Standing Committee on Finance

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
10 May 2024	Pension Funds A/B and Public Procurement Bill: National Council of Provinces (NCOP) amendments	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury
13 May 2024	Pension Funds A/B and Public Procurement Bill: NCOP amendments adopted	
09 Jul 2024	Election of the chairperson; National Treasury Annual Performance Plan 2024/25	
11 Jul 2024	National Treasury budget: Committee postpones adoption	
15 Jul 2024	National Treasury Annual Performance Plan 2024/25; with minister and deputy minister	
20 Aug 2024	Induction workshop: engagement with National Treasury and entities	
21 Aug 2024	Induction workshop: engagement with National Treasury entities with deputy minister	
10 Sep 2024	Workshop on tax legislation	
17 Sep 2024	2024 draft Tax Bills and Rates Bill: National Treasury and SARS briefing	
18 Sep 2024	Committee report on the oversight visit to Ithala SOC Ltd and National Treasury input	
8 Oct 2024	Tax, Rates and Revenue Bills: public hearings	
9 Oct 2024	Tax, Rates and Revenue Bills: public hearings day 2	
15 Oct 2024	National Treasury entities 2023/24 audit trends	
16 Oct 2024	National Treasury 2023/24 Annual Report	
23 Oct 2024	Tax, Rates and Revenue Bills: SARS and National Treasury response to submissions	
29 Oct 2024	Joint committee induction by National Treasury	
29 Oct 2024	Finance Budgetary Review and Recommendations Report	
30 Oct 2024	Closed meeting: MTBPS lock-up session	
31 Oct 2024	2024 MTBPS: National Treasury briefing with Ministry	
5 Nov 2024	2024 MTBPS: FFC and Parliamentary Budgeting Office (PBO) briefing	
6 Nov 2024	Revised fiscal framework and revenue proposals: public hearings	
8 Nov 2024	Revised fiscal framework and revenue proposals: National Treasury and SARS response to public submissions	

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
12 Nov 2024	Revised fiscal framework and revenue proposals committee report (National Assembly and National Council Of Provinces)	
19 Nov 2024	Tax Bills and Rates Bill: deliberations and adoption	
20 Nov 2024	Revenue Laws Amendment Bill and Global Tax Bills: deliberations and adoption	
26 Nov 2024	Two-pot system implementation; employer failure to pay pension contributions: National Treasury, Pension Funds Adjudicator and FSCA briefings	
27 Nov 2024	National Treasury and entities on audit action plans with deputy minister	
14 Mar 2025	2025 Budget: National Treasury briefing with minister	
18 Mar 2025	2025 Budget: FFC and PBO briefing	
25 Mar 2025	2025 fiscal framework and revenue proposals: public hearings	
28 Mar 2025	2025 fiscal framework and revenue proposals: National Treasury and SARS response to public submissions with minister and deputy minister	

Select Committee on Finance

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
16 Apr 2024	Pension Funds Amendment Bill: public hearings	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury
17 Apr 2024	Public Procurement Bill: National Treasury report-back on stakeholder consultation	
19 Apr 2024	Pension Funds Amendment Bill: adoption	
23 Apr 2024	Public Procurement Bill: Civil society concerns and constitutional matters	
25 Apr 2024	Public Procurement Bill: National Treasury response to public submissions	
26 Apr 2024	Public Procurement Bill: National Treasury response to public submissions; procurement and B-BBEE statistics briefing	
30 Apr 2024	Public Procurement Bill: negotiating mandates and National Treasury response	
2 May 2024	Public Procurement Bill: proposed amendments and deliberations	
7 May 2024	Public Procurement Bill: National Treasury response to additional public input and final mandates	
8 Oct 2024	Induction workshop: National Treasury role and mandate	

08 PORTFOLIO COMMITTEES

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
15 Oct 2024	Provincial treasuries (Limpopo, KwaZulu-Natal and Mpumalanga) quarterly reports	
22 Oct 2024	Workshop on Tax, Rates and Revenue Bills	
23 Oct 2024	Pre-2024 MTBPS workshop: PBO briefing	
30 Oct 2024	Closed meeting: MTBPS lock-up session	
31 Oct 2024	2024 MTBPS: National Treasury briefing with ministry	
20 Nov 2024	Tax Bills, Revenue Laws Amendment Bill, Global Tax Bills and Rates Bill: National Treasury and SARS briefing	
26 Nov 2024	Tax Bills, Rates Bill, Global Tax Bills and Revenue Bill: public hearings	
29 Nov 2024	Tax Bills, Rates Bill, Global Tax Bills and Revenue Bill: National Treasury and SARS response to public submissions	
3 Dec 2024	Tax Bills, Rates Bill, Global Tax Bills and Revenue Bill: adoption	
12 March 2025	Closed meeting: Budget lock-up	
14 March 2025	2025 Budget: National Treasury briefing with minister	

Standing Committee on Appropriations

DATE	TOPIC	NATIONAL TREASURY ADDRESS THE MATTERS RAISED
12 Jul 2024	Appropriation Bill: National Treasury briefing with minister	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury
16 Jul 2024	Appropriation Bill: FFC briefing	
17 Jul 2024	Appropriation Bill: PBO briefing	
19 Jul 2024	Appropriation Bill: public hearings	
23 Jul 2024	Appropriation Bill: Adoption and committee report	
4 Sep 2024	Contract deviations and expansions in Q1 2024/25: OCPO briefing	
11 Sep 2024	Status of the medico-legal claims and service delivery implications (with minister and deputy minister)	
17 Sep 2024	Review of the provincial equitable share formulas: FFC and National Treasury briefing	
15 Oct 2024	Q1 2024/25 expenditure; SOE bailouts with deputy minister	
16 Oct 2024	Contract deviations and expansions in Q2 2024/25	
25 Oct 2024	Pre-MTBPS workshop: PBO briefing	
30 Oct 2024	Closed meeting: MTBPS lock-up session	
31 Oct 2024	2024 MTBPS: National Treasury briefing (with ministry)	
6 Nov 2024	Division of Revenue A/B, Special Appropriation Bill and Adjustments Appropriation Bill: National Treasury briefing with deputy ministers	
13 Nov 2024	DORA Bill; Adjustments and Special Appropriation Bills: PBO & FFC recommendations	

DATE	TOPIC	NATIONAL TREASURY ADDRESS THE MATTERS RAISED
15 Nov 2024	Division of Revenue Amendment Bill: SALGA input and public hearings	
19 Nov 2024	Special Appropriation Bill: Department of Transport and SANRAL briefing	
20 Nov 2024	Division of Revenue Amendment Bill: consideration and adoption; adoption of oversight visit reports	
26 Nov 2024	Adjustments Appropriation Bill: Department of Water and Sanitation briefing	
27 Nov 2024	Special Appropriation Bill: Presidency briefing on funding for ICJ case	
29 Nov 2024	Public hearings on the 2024 MTBPS, 2024 Adjustments Appropriation Bill and the 2024 Special Appropriation Bill	
3 Dec 2024	MTBPS; Adjustments Appropriation Bill and Special Appropriation Bill: committee reports	
11 Feb 2025	National Treasury briefing: Q2 spending outcomes	
5 Mar 2025	Legislative timeframes for the processing of the national budget	
12 Mar 2025	Closed meeting: Budget lock-up	
14 March 2025	2025 Budget: National Treasury briefing (with minister)	
19 Mar 2025	National Treasury: Division of Revenue Bill; spending reviews conducted in past 5 financial years	
25 Mar 2025	Division of Revenue Bill: FFC briefing	
26 Mar 2025	Division of Revenue Bill: PBO briefing	
28 Mar 2025	Division of Revenue Bill: SALGA and Department of Cooperative Governance input with deputy minister	

Select Committee on Appropriations

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
24 Apr 2024	Division of Revenue Bill: negotiating mandates; Second Adjustments Appropriation (2023/24) Bill and GFECRA defrayal A/B: committee reports	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury
30 Apr 2024	Division of Revenue Bill: final mandates	
16 Jul 2024	Appropriation Bill: National Treasury briefing with minister and deputy minister	
17 Jul 2024	Appropriation Bill: FFC briefing	
23 Jul 2024	Appropriation Bill: PBO briefing with Deputy Minister of Finance	
24 Jul 2024	Appropriation Bill: public hearings	
26 Jul 2024	Appropriation Bill: committee report	
4 Sep 2024	Induction workshop by PBO and FFC on their mandates and support to Parliament	
11 Sep 2024	FFC 2025/26 division of revenue submission	

08 PORTFOLIO COMMITTEES

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
9 Oct 2024	2022/23 local government audit outcomes	
16 Oct 2024	National Treasury on conditional grant expenditure reports, with deputy minister	
30 Oct 2024	Closed meeting: MTBPS lock-up session	
31 Oct 2024	2024 MTBPS: National Treasury briefing (with ministry)	
14 Nov 2024	Division of Revenue Amendment Bill, Adjustments Appropriation Bill and Special Appropriation Bill: National Treasury briefing	
19 Nov 2024	Division of Revenue Amendment Bill: SALGA and FFC recommendations	
20 Nov 2024	Briefing by the PBO on the 2024 Division of Revenue Amendment Bill, 2024 Adjustments Appropriation Bill and 2024 Special Appropriation Bill	
21 Nov 2024	Division of Revenue Amendment Bill: public hearings	
29 Nov 2024	Division of Revenue Amendment Bill: negotiating mandates	
3 Dec 2024	Division of Revenue Amendment Bill: final mandates	
6 Dec 2024	Adjustments Appropriation Bill and Special Appropriation Bill: public hearings	
10 Dec 2024	Adjustments Appropriation Bill and Special Appropriation Bill: committee reports; report on proposed division of revenue and conditional grant allocations to provinces and local government	
12 March 2025	Closed meeting: Budget lock-up	
14 March 2025	2025 Budget: National Treasury briefing (with minister)	
26 Mar 2025	Division of Revenue Bill, Appropriation Bill and Eskom Debt Relief Amendment Bill: National Treasury briefing, with deputy minister	

Standing Committee on Public Accounts

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
28 Aug 2024	Induction workshop: engagement with OAG and chief procurement officer	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury

Portfolio Committee on Public Service and Administration

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
28 Aug 2024	Briefing by the GEPF and GAAP on GPAA on the two-pot retirement system on the public service	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
11 Mar 2025	Joint meeting: South Africa, Transkei, Bophuthatswana, Venda and Ciskei State Committee petition on pension redress	

Portfolio Committee on Trade, Industry and Competition

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
16 Oct 2024	National Lotteries Commission R300m transfer to National Treasury: legal opinion; committee report on Department of Trade, Industry and Competition performance	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury
22 Nov 2024	Regulation of banking sector on credit provision and competition matters	
27 Nov 2024	Public Procurement Act (2024) contribution to industrialisation, inclusive growth and transformation and role of various agencies in ensuring compliance	

Portfolio Committee on Water and Sanitation

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
19 Nov 2024	Solutions for municipal debt to water boards, with Water and Sanitation and Cooperative Governance and Traditional Affairs ministers	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury

Standing Committee on the Auditor-General

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
11 Oct 2024	National Treasury interventions to collect outstanding audit fees and an appropriate funding model for the AGSA	

Portfolio Committee on Electricity and Energy

DATE	TOPIC	NATIONAL TREASURY ADDRESSES THE MATTERS RAISED
27 March 2025	Briefing by the National Treasury on the municipal debt relief programme	

09 SCOPA RESOLUTIONS

No SCOPA resolutions were adopted in 2024/25.

PRIOR MODIFICATIONS TO AUDIT REPORTS 10

During 2024/25, the department obtained an unqualified audit opinion with no material misstatements. 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 the external auditors are adequately addressed and to assess if the internal control measures, implemented to prevent these findings from recurring, are effective.

In addition, 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 where deadliness for resolution have not yet been met. The purpose is to ensure adequate follow-through and 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

During the reporting period, the Internal Control unit continued to coordinate the control activities in the department to promote efficiency and to reduce the likelihood and impact of identified risks. It produced reliable financial statements that complied with legislation. The department maintains systems of internal control to mitigate identified risks, ensure the integrity of the department's core activities of public finance management, and transfer funds and payments for financial assets, including the safeguarding of its assets. The department has an organisational structure and division of responsibilities that, together with established policies and procedures, are communicated throughout the department.

Significant strides were made in ensuring compliance with laws and regulations. This was done by continuously 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 assisted in identifying any possible noncompliance with SCM legislation as well as internal departmental policies. Random checks of payment batches were performed to ensure that payments were in accordance with prescripts and improved standards of financial administration. The Internal Control unit will continue to improve its processes to achieve better control operations.

INTERNAL AUDIT AND AUDIT COMMITTEES 12

Internal auditing is an independent and objective assurance and consulting activity that provides a value adding 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 assists these organisations to accomplish their objectives by bringing a systematic and disciplined approach (a risk-based audit approach) to evaluate and improve the effectiveness of the organisations' governance, risk management and internal controls.

Internal Audit implemented its annual risk-based audit plan for 2024/25 as part of a three-year rolling plan, after consultation with management and approval by the National Treasury's Audit Committee. Twenty-two audits were approved and planned for in the revised audit plan for 2024/25. All 22 audits were completed. In addition, 11 ad hoc audits were executed and reported on. In total, 33 audits were completed. All audits and other work of the Internal Audit function were conducted in accordance with international standards for the professional practice of internal audit, 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 to the National Treasury 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 purpose of the committee is to assist the executive authority in fulfilling its oversight responsibilities and the accounting officer in fulfilling executive duties regarding the financial reporting process, management of risk, system of internal control, 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.

13 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Legislative requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2025, as required by Treasury Regulation 3.1.13 read with section 77 of the PFMA.

Membership and attendance

The following meetings were held in 2024/25:

#	MEETING	MEETING DATE	NUMBER OF MEMBERS ATTENDED
1	Regular quarterly meeting: Q3	28 May 2024	3
2	Special Audit Committee meeting: AFS and APR	30 May 2024	3
3	Special Audit Committee meeting: AG's Audit Report and Management Report	25 July 2024	3
4	Regular quarterly meeting: Q4 and Q1	22 August 2024	4
5	Special Audit Committee meeting: consolidations, Reconstruction and Development Programme and National Revenue Fund	13 November 2024	4
6	Special Audit Committee meeting: consolidations, Reconstruction and Development Programme and National Revenue Fund	28 November 2024	3
7	Regular quarterly meeting (plus DG, IA, AGSA): Q2	5 December 2024	4
8	Regular quarterly meeting (plus DG, IA, AGSA): Q3	26 March 2025	4

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	BCom Honours in Transport Economics CA (SA) BCompt Honours CTA BBusSci Finance Honours	1 October 2018	30 September 2026	8	Yes	No	5	2
Mr Freddy Sinthumule	Diploma in Finance and Auditing BCom Accounting MBA with special project on PFMA	1 July 2019	30 September 2026	8	Yes	No	1	3
Mr M Geswint	B. Admin (Majors: Public Admin and Economics) B. Admin (Hons) Economics	24 May 2022	-	4	Yes	Yes	1	0
Prof. DP vd Nest	B Com (Accountancy) (UP) B Com Hons (UP) M Com (UJ) Doctor Technologiae (Internal Audit) TUT	24 May 2024	-	8	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 2024/.25 financial year was R3275 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, 132 553.00.

13 AUDIT COMMITTEE REPORT

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 2024 to 31 March 2025, covering the following key activities for 2024/25 for the National Treasury:

TYPE	TOTAL PLANNED AUDITS	TOTAL AD-HOC AUDITS	COMPLETED AUDITS
Regularity audit	8	2	10
Performance audit	3	1	4
IT	11	8	19
Total audits	***22***	***11***	***33***

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 2025 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.

13 AUDIT COMMITTEE REPORT

Appreciation

We would like to express our appreciation to the executive authority, Director-General Dr Duncan Pieterse, for his leadership and support, and the AGSA, Internal Audit and management for their commitment.

MS PUMLA MZIZI CA(SA)
Chairperson of the Audit Committee
National Treasury
Date: 28 August 2025

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

14

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	For all procurement between R30 000 to R50 million, the 80/20 preference points system was used. For all procurement above R50 million, the 90/10 preference points system was used
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

Note: This information is extracted from the 2024 certificate. The 2025 certificate is still underway.

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PART D
HUMAN RESOURCES MANAGEMENT

INTRODUCTION 01

The information contained in this part of this 2024/25 Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

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PART D
HUMAN RESOURCES MANAGEMENT

OVERVIEW OF **HUMAN RESOURCES**

2.1 STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

The National Treasury vacancy rate decreased from 16 per cent in 2023/24 to 11.5 per cent in 2024/25. This has been as a result of the reprioritisation of service delivery needs and delays in finalising recruitment processes, the impact of the Department of Public Service and Administration (DPSA) directive 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 2024/25 was 10% per cent, as compared to 8.1 per cent in the previous year. Employee rotation and the placement of employees in acting higher positions ensures that the department has diverse set of skills and builds a solid management pipeline. For the reporting period, 37 interns were recruited and 19 were appointed permanently while six were appointed on one-year contract extensions. Given the limitations in terms of entry level posts on the organisational structure, a process of reviewing the organisational structure is under way. 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.

The development of skills 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 to medium term, and allowing for these skills to mature and address the department's needs in the medium and long term. This has been realised through the procurement of Stellenbosch University to provide customised leadership and management development programmes for officials who occupy management positions from level 9 to 16. These customised programmes seek to address the career progression of employees and to 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 the employees in training needs aligned to an individual development plan, which reflects in the training budget spent on employees.

02 OVERVIEW OF HUMAN RESOURCES

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 term. Over the past year, 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 8 to 15, 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 the AGSA, facilitated targeted programmes for women managers. The partnership with Stellenbosch University continues for two more years under a three-year contract. Additionally, HRM supports technical and competency-based training across all functional areas and levels, aligning initiatives with individual development plans and reflecting this commitment in the training budget.

2.4 EMPLOYEE PERFORMANCE MANAGEMENT

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. 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 rewards. The 2023/24 performance moderation process was concluded in December 2024 and the 2024/25 contracting process was finalised with the uploading of performance agreements on PERSAL by 30 June 2024. Performance assessments for 2024/25 commenced in April 2025 and will be effectively managed to ensure compliance with the directives of the DPSA.

2.5 EMPLOYEE HEALTH AND WELLNESS PROGRAMME

The department's employee health and wellness programme is effectively and impactfully operating and encompasses physical, mental and emotional wellbeing with the aim of improving the lives of our employees. However, we do not have onsite primary health care services, but rather psychosocial services. For primary health care services, National Treasury relies on the services rendered by the Government Employees Medical Scheme (GEMS). A total of 259 employees were screened in 2024/25 compared to 174 in 2023/24. During the reporting period, GEMS provided four screening sessions. Furthermore, the National Treasury uses an external service provider for psychosocial services to assist both the employees and their immediate family members. In 2024/25, 375 employees and their families used psychosocial services compared to 365 in 2023/24. The National Treasury conducted a total of 9 employee wellness educational campaigns. These covered various topics to improve overall wellbeing, including men's health, financial wellness and Wills weeks, hypertension awareness, and healthy lifestyle choices. The National Treasury complied in terms of the submission of employee health and wellness programme compliance reports in line with DPSA directives.

2.6 ACHIEVEMENT AND CHALLENGES FACED BY THE DEPARTMENT

Achievements

During the reporting period, the key priorities were to attract scarce and critical skills, improve HR processes across the HR value chain, enhance accountability, improve efficiencies in the HRM chief directorate and strengthen employee engagement. Highly engaged employees feel valued and are invested in the organisation. They strive to create innovative services and processes to the benefit of the department and service delivery. The skill sets required by the department in terms of technical skills merged in a single position such as economics, health and policy analysis continued to create opportunities to close the gaps with regards to unique jobs.

Challenges

A shortage of critical financial skills in particular 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. Internal development and skills transfer therefore 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 to the departmental 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 HR processes and decision-making

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PART D
HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES **OVERSIGHT STATISTICS**

HUMAN RESOURCES OVERSIGHT STATISTICS 03

3.1 PERSONNEL RELATED EXPENDITURE

Table 3.1.1 Personnel Expenditure by programme for the period 1 April 2024 to 31 March 2025

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)*
Programme 1 Administration	699 268	242 775	8 783	46 845	34.72	761
Programme 2 Economic Policy, Tax, Financial Regulation and Research	120 058	79 049	42	14 048	65.84	1 083
Programme 3 Public Finance and Budget Management	3 589 545	268 446	124	254 969	7.48	1 061
Programme 4 Asset and Liability Management	137 940	96 613	71	20 942	70.04	986
Programme 5 Financial Systems and Accounting	734 372	236 452	731	89 012	32.20	953
Programme 6 International Financial Relations	2 321 449	47 256	22	0	2.04	1 181
Programme 7 Civil and Military Pensions, Contributions to Funds	7 364 497	0	0	64 722	0	0
Programme 8 Technical Support and Development Finance	12 388 563	0	0	0	0	0
Programme 9 Revenue Administration	5 265 620	0	0	0	0	0
Total	**32 621 312**	**970 590**	**9 773**	**490 538**	**2.98**	**-**

**Note: Percentage of average personnel cost per employee calculated based on the number of employees in table 3.2.1. Minister 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 2024 to 31 March 2025

SALARY BANDS	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)**
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	11 873	1.23	39	304
Highly skilled production (levels 6-8)	118 407	12.28	220	538
Highly skilled supervision (levels 9-12)	463 574	48.08	513	904
Senior management (levels 13-16)	370 213	38.40	256	1 446
Total* **	**964 067**	**99.99**	**1 028**	**938**

*** Note: Percentage of average personnel cost per employee calculated based on the number of employees in Table 3.1.2.*

**** Note: Minister 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, 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, home owners' allowance (HOA) and medical aid by programme for the period 1 April 2024 to 31 March 2025

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	165 672	68.24	2 720	1.12	3 397	1.40	8 458	3.48
Programme 2	55 644	70.39	0	0	327	0.41	1 004	1.27
Programme 3	188 881	70.36	200	0.07	1 961	0.73	4 154	1.55
Programme 4	68 756	71.17	297	0.31	848	0.88	2 001	2.07
Programme 5	169 922	71.86	14	0.01	2 253	0.95	5 020	2.12
Programme 6	25 173	53.27	167	0.35	243	0.51	1 153	2.44
Programme 7	0	0	0	0	0	0	0	0
Total**	**674 048**	**69.45**	**3 398**	**0.35**	**9 029**	**0.93**	**21 790**	**2.25**

***** Note: 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 2024 to 31 March 2025

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	0	0	0	0	0	0
Skilled (levels 3-5)	8 996	75.77	262	2.21	509	4.29	946	7.97
Highly skilled production	88 605	74.83	1 344	1.14	3 382	2.86	7 432	6.28
Highly skilled supervision	321 922	69.44	1 792	0.39	3 743	0.81	10 430	2.25
Senior management	250 610	67.69	0	0	1 395	0.38	2 982	0.81
Total *****	670 133	69.51	3 398	0.35	9 029	0.94	21 790	2.26

***** *Note: Minister 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 2025

PROGRAMME	NUMBER OF FUNDED POSTS	HEADCOUNT	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Programme 1	364	319	12.36	50
Programme 2	100	73	27.00	3
Programme 3	285	253	11.22	6
Programme 4	108	98	9.25	3
Programme 5	265	248	6.41	34
Programme 6	43	40	7.50	5
Programme 7	0	0	0.00	0
Total	1 165	1 031	11.50	101

Note: Minister and Deputy Ministers included in totals.

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Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025

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)	43	39	9.30	0
Highly skilled production (levels 6-8)	234	220	5.98	59
Highly skilled supervision (levels 9-12)	575	513	10.78	33
Senior management (levels 13-16)	313	259	17.25	9
Total	1 165	1 031	11.50	

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 2025

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 2025

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-general/ Head of department	1	1	100.00	0	0.00
Salary level 16	2 2	1	50.00	1	50.00
Salary level 15	18	14	78.00	4	22.00
Salary level 14	65	52	80.00	13	20.00
Salary level 13	236	191	81.00	45	19.00
Total	**322**	**259**	**80.00**	**63**	**20.00**

Note: Minister and Deputy Ministers excluded from totals.

HUMAN RESOURCES OVERSIGHT STATISTICS 03

Table 3.3.2 SMS post information as at 30 September 2024

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS
Director-general/ Head of department	1	1	100.00	0	0.00
Salary level 16	1	1	100.00	0	0.00
Salary level 15	16	11	69.00	4	31.00
Salary level 14	65	51	78.00	14	22.00
Salary level 13	238	196	82.00	42	18.00
Total	321	260	80.99	60	18.67

Note: Minister and Deputy Ministers excluded from totals.

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

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	3	0	0
Salary level 14	1	0	0
Salary level 13	5	0	0
Total	9	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2024 to 31 March 2025

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
A directive issued by the DPSA effective 1 October 2023 caused delays in advertising positions as the department had to first request for concurrency, and prior to that the National Treasury had to provide evidence to DPSA for the need to fill positions and confirm that the department had funds for filling of them. This took several meetings with stakeholders, which caused delays. The first batch of adverts after DPSA placed on hold filling of positions since October 2023, was in July 2024. This was already more than six months and some of the vacant positions that were processed, had been vacant for some time.

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REASONS FOR VACANCIES NOT FILLED WITHIN 12 MONTHS
Similarly, the reprioritisation of service delivery needs and delays in finalising recruitment processes was as a result of the directive issued by the 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, effective 1 October 2023. In addition, by the time most positions were advertised, business had urgent projects that required attention such as the preparation of the budget, making it difficult to have selection committees sit down for shortlisting meetings.

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 2024 and 31 March 2025

REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS
No disciplinary steps were taken as this was a national decision directive issued by the DPSA to manage state funds.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS
No disciplinary steps were taken as this was a national decision directive issued by the DPSA to manage state funds.

3.4 JOB EVALUATION

Table 3.4.1 Job evaluation by salary band for the period 1 April 2024 to 31 March 2025

SALARY BAND	NUMBER OF POSTS	NUMBER OF JOBS EVALUATION	% OF POSTS EVALUATED BY SALARY BANDS	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	% OF 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)	43	0	0.00	0	0.00	0	0.00
Highly skilled production (levels 6-8)	234	0	0.00	0	0.00	0	0.00
Highly skilled supervision (levels 9-12)	575	3	0.5	1	100.00	0	0.00
SMS band A	228	0	0.00	0	0.00	0	0.00
SMS band B	63	0	0.00	0	0.00	0	0.00
SMS band C	16	1	6.25	0	0.00	0	0.00
SMS band D	6	0	0.00	0	0.00	0	0.00
Total	**1165**	**4**	**0.34**	**1**	**100.00**	**0**	**0.00**

Note: Minister and Deputy Ministers included in totals.

HUMAN RESOURCES OVERSIGHT STATISTICS 03

Table 3.4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded for the period 1 April 2024 to 31 March 2025

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	1	0	0	0	1
Employees with a disability	0	0	0	0	0
Total	**1**	**0**	**0**	**0**	**1**

Table 3.4.3 Employees with salary level higher than those determined by job evaluation by occupation for the period 1 April 2024 to 31 March 2025

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation in 2024/25				0
Percentage of total employment (1082 as at 31 March 2024)				0.00%

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 to 31 March 2025

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

03 HUMAN RESOURCES OVERSIGHT STATISTICS

3.5 EMPLOYMENT CHANGES

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 to 31 March 2024

SALARY BAND	NUMBER OF EMPLOYEES AS ON 31 March 2023	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)	45	6	12	26.66
Highly skilled production (levels 6-8)	260	2	38	14.61
Highly skilled supervision (levels 9-12)	516	41	40	7.75
SMS band A	191	3	8	4.18
SMS band B	52	2	5	9.61
SMS band C	14	3	7	50.00
SMS band D	4	4	2	50.00
Total	1082	61	112	10.35

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 why staff left the department for the period 1 April 2024 to 31 March 2025

TERMINATION TYPE	NUMBER	% OF TOTAL
Contract expiry	55	48.7
Death	6	5.30
Retirement	4	3.50
Resignation	46	40.71
Severance package	0	0.00
Transfer to other public service departments	2	1.77
Total	**113**	
Total number of employees who left as a % of total employment (1 082 as at 31 March 2024)	112	10.35

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2024

No formal critical occupations were approved for the National Treasury.

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

SALARY BAND	EMPLOYEES 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)	45	0	0.00
Highly skilled production (levels 6-8)	260	0	0.00
Highly skilled supervision (levels 9-12)	516	12	2.33
Senior management (levels 13-16)	261	7	2.68
Total	**1 082**	**19**	**1.76**

Note: Upgrades 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 2025

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	85	8	12	19	94	4	11	26	259
Professionals	207	10	4	16	224	7	8	17	493
Technicians and associate professionals	15	2	0	1	73	4	4	17	116
Clerks	46	2	0	2	73	2	1	5	131
Service and sales workers	12	0	0	1	19	0	0	0	32
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	**365**	**22**	**16**	**39**	**483**	**17**	**24**	**65**	**1 031**
Employees with disabilities	2	1	0	5	1	0	0	1	10

Note: Minister and Deputy Ministers included in totals (legislators, senior officials and managers).

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Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025

OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Top management	7	1	4	1	6	0	0	2	21
Senior management	79	7	8	19	88	4	11	24	240
Professionally qualified and experienced specialists and mid-management	174	9	4	13	176	7	7	23	413
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	90	3	0	4	201	6	6	16	326
Semi-skilled and discretionary decision-making	15	2	0	2	12	0	0	0	31
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	**365**	**22**	**16**	**39**	**483**	**17**	**24**	**65**	**1031**

Note: Minister and Deputy Ministers included in totals (Top management).

Table 3.6.3 Recruitment for the period 1 April 2024 to 31 March 2025

OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Top management (levels 15-16)	5	0	1	0	1	0	0	0	7
Senior management (levels 13-14)	1	1	0	0	1	0	1	1	5
Professionally qualified and experienced specialists and mid-management (levels 9-12)	16	1	0	1	21	0	0	2	41
Skilled technical and academically qualified workers, junior management, supervisors, foremen and	0	0	0	0	2	0	0	0	2

OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
superintendents (levels 6-8)									
Semi-skilled and discretionary decision-making (levels 3-5)	2	0	0	1	3	0	0	0	6
Unskilled and defined decision making (levels 1-2)	0	0	0	0	0	0	0	0	0
Total	**24**	**2**	**1**	**2**	**28**	**0**	**1**	**3**	**61**
Employees with disabilities									

Note: Minister and Deputy Ministers included in totals (Top management).

Table 3.6.4 Promotions for the period 1 April 2024 to 31 March 2025

OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Top management (levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (levels 13-14)	2	0	0	1	4	0	0	0	7
Professionally qualified and experienced specialists and mid-management (levels 9-12)	5	0	0	1	6	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6-8)	0	0	0	0	0	0	0	0	0

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OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
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	**7**	**0**	**0**	**2**	**10**	**0**	**0**	**0**	**19**
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2024 to 31 March 2025

OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Top management (levels 15-16)	2	0	1	2	4	0	0	0	9
Senior management (13-14)	6	0	0	0	7	0	0	0	13
Professionally qualified and experienced specialists and mid-management (levels 9-12)	18	0	1	0	20	1	0	0	40
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6-8)	17	0	0	1	17	0	0	3	38
Semi-skilled and discretionary decision-making (levels 3-5)	6	0	0	0	6	0	0	0	12
Unskilled and defined decision-making (levels 1-2)	0	0	0	0	0	0	0	0	0
Total	**49**	**0**	**2**	**3**	**54**	**1**	**0**	**3**	**112**
Employees with disabilities	-	-	-	-	-	-	-	-	-

Note: Minister and Deputy Ministers included in totals (top management).

Table 3.6.6 Disciplinary action for the period 1 April 2024 to 31 March 2025

DISCIPLINARY ACTION	MALE				AFRICAN				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025

OCCUPATIONAL CATEGORIES	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Legislators, senior officials and managers	14	1	3	2	25	0	1	6	52
Professionals	33	1	1	0	40	1	1	0	77
Technicians and associate professionals	12	0	0	1	25	0	0	0	38
Clerks	32	1	0	1	42	2	1	1	80
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	**91**	**3**	**4**	**4**	**132**	**3**	**3**	**7**	**247**
Employees with disabilities	1	-	-	-	-	-	-	-	-

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 table depicts the performance agreement compliance by SMS members. 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).

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Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2024

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS MEMBERS	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS
Director-general/ Head of department	1	1	1	100.00
Salary level 16	2	2	2	100.00
Salary level 15	18	13	10	76.92
Salary level 14	65	51	42	82.35
Salary level 13	236	193	185	95.85
Total	**322**	**260**	**240**	**92.31**

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 2024

STATUS	13	14	15	16	TOTAL	REASONS:
Performance agreements not submitted	8	9	3	0	20	10 awaiting line manager approval and 10 did not submit
Total	**8**	**9**	**3**	**0**	**20**	

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 May 2024

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

No performance rewards were given for the period 1 April 2024 to 31 March 2025.

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
African	**0**	**808**	**0**	**R0.00**	**R0.00**
Male	0	341	0	R0.00	R0.00
Female	0	467	0	R0.00	R0.00
Asian	**0**	**38**	**0**	**R0.00**	**R0.00**
Male	0	16	0	R0.00	R0.00
Female	0	22	0	R0.00	R0.00
Coloured	**0**	**36**	**0**	**R0.00**	**R0.00**
Male	0	18	0	R0.00	R0.00
Female	0	18	0	R0.00	R0.00
White	**0**	**103**	**0**	**R0.00**	**R0.00**
Male	0	38	0	R0.00	R0.00
Female	0	65	0	R0.00	R0.00
Total	**0**	**985**	**0**	**R0.00**	**R0.00**

Note: Minister, Deputy Ministers, Director-General and the two 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 given for the period 1 April 2024 to 31 March 2025.

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Table 3.8.2 Performance rewards by salary band for personnel below SMS (1 April 2024 to 31 March 2025)

No performance rewards were given for the period 1 April 2024 to 31 March 2025.

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	R0.00	R0.00	0
Skilled (levels 3-5)	0	45	0	R0.00	R0.00	0
Highly skilled production (levels 6-8)	0	200	0	R0.00	R0.00	0
Highly skilled supervision (levels 9-12)	0	484	0	R0.00	R0.00	0
Total	0	**729**	0	R0.00	R0.00	0

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2024 to 31 March 2025

No formal critical occupations were approved for the National Treasury.

Table 3.8.4 Performance related rewards (cash bonus), by salary band for SMS member for the period 1 April 2024 to 31 March 2025

No performance rewards were given for the period 1 April 2024 to 31 March 2025.

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Band A	0	191	0.00	R0.00	R0.00	R0.00
Band B	0	52	0.00	R0.00	R0.00	R0.00
Band C	0	12	0.00	R0.00	R0.00	R0.00
Band D	0	1	0.00	R0.00	R0.00	R0.00
Total	**0**	**256**	**0.00**	**R0.00**	**R0.00**	**R0.00**

Note: Minister, Deputy Ministers, Director-General and the two 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 2024 and 31 March 2025

SALARY BAND	MARCH 2024		MARCH 2025		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% 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	7.00	1	8.00	0	100.00
Senior management (levels 13-16)	13	93.00	11	92.00	-2	-15.38
Total	**14**	**100.00**	**12**	**100.00**	**-2**	**-14.28**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025

SALARY BAND	MARCH 2024		MARCH 2025		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Senior management	13	93.00	11	92.00	-2	-15.38
Professional qualified	1	7.00	1	8.00	0	100.00
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	**14**	**100.00**	**12**	**100.00**	**-2**	**-14.28**

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3.10 LEAVE UTILISATION

Table 3.10.1 Sick leave for the period 1 January 2024 to 31 December 2024

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% 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)	116	71.60	20	3.30	6	R136
Highly skilled production (levels 6-8)	938	79.60	160	26.60	6	R1 831
Highly skilled supervision (levels 9-12)	1 551	78.90	301	50.10	5	R5 400
Senior management (levels 13-16)	613	84.30	120	20.00	5	R3 192
Total	**3 218**	**79.90**	**601**	**100.00**	**5**	**R10 559**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024

SALARY BAND	TOTAL DAYS TAKEN	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING DISABILITY LEAVE	% OF TOTAL EMPLOYEES USING DISABILITY 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)	0	0.00	0	0.00	0	0
Highly skilled production (levels 6-8)	53	100.00	3	42.86	18	R119
Highly skilled supervision (levels 9-12)	88	100.00	3	42.86	29	R327
Senior management (levels 13-16)	9	100.00	1	14.30	9	R49
Total	**150**	**100.00**	**7**	**100.00**	**21**	**R496**

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Table 3.10.3 Annual Leave for the period 1 January 2024 to 31 December 2024

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)	741.00	42	18
Highly skilled production (levels 6-8)	6049.00	277	22
Highly skilled supervision (levels 9-12)	12752.75	539	24
Senior management (levels 13-16)	7039.39	275	26
Total	**26582.14**	**1133**	**23**

Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2024

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)	3	1	3	21
Highly skilled supervision (levels 9-12)	1	1	1	24
Senior management (levels 13-16)	0	0	0	20
Total	**4**	**2**	**2**	**22**

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2024 to 31 March 2025

REASON	TOTAL AMOUNT (R'000) (A)	NUMBER OF EMPLOYEES (B)	AVERAGE PAYMENT PER EMPLOYEE (R'000) (C=A/B)
Leave payout for 2024/25 due to utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2024/25	620	4	155
Current leave payout on termination of service for 2024/25	3 186	101	32
Total	**3 806**	**105**	**36**

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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 & RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
There is no primary health care clinic on-site. The National Treasury did however provide regular health screening through GEMS in 2024/25. This assisted in identifying health risk among employees. The screening included hypertension, diabetes, cholesterol, BMI (obesity) and HIV counselling and testing. The highest trend of health issues noted among employees was obesity and pre-hypertension. There was an increase in the use of psychosocial services, compared to the previous financial year	Awareness on World Obesity Day was created through an emailer distributed to all National Treasury employees on 4 March 2024, and on World TB Day on 24 March 2024. The Big Walk is an event that raises awareness on healthy lifestyles through exercise. A total of 172 employees took part in the Big Walk in October 2024. 6-10 February is known as STI/condom week, as part of promoting positive behavior and raising awareness on healthy sexual practices to reduce the spread of new HIV infections. Condoms are made accessible to all employees. Through quarterly health screenings that incorporate voluntary counselling and testing, employees were encouraged to know their health status as part of the prevention and management of HIV in the workplace. Health screening for non-communicable diseases, including high blood pressure, diabetes and cholesterol, was incorporated in the GEMS health screening. A webinar on men's health was conducted on 27 June 2024, focusing on work-life balance, healing the mind and body.

Table 3.11.2 Details of health promotion and HIV and AIDS programmes

QUESTION	YES	NO	DETAILS, IF YES
1. Has the department designated a member of the SMS to implement the provisions contained in Chapter 4, Part 3, Regulation 55 of the Public Service Regulations, 2016? If so, provide her/his name and position	Yes		Lufuno Monyau 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 your 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 programme unit. Samkelisiwe Ndlala is the programme's assistant director. Allocated budget: R476 000

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QUESTION	YES	NO	DETAILS, IF YES
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 employee assistance programme addresses psychosocial issues affecting both the employees and their immediate family members. The key elements are: 1.Individual counselling 2.Group counselling 3.Trauma debriefing 4.Managerial consultancy 5.Financial advice 6.Legal advice
Has the department established (a) committee(s) as contemplated in chapter 4, part 3, Regulation 55 of the 2016 Public Service Regulations? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent	Yes		The department established a transformation, wellness and gender committee in 2019. The term of office of the committee has lapsed and the department is in the process of appointing a new committee. The committee will constitute of the members of SMS, MMS, lower-level employees, 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 so reviewed	Yes		The department reviewed its policy on HIV/AIDS and TB management in 2024, which is in the process of approval
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 department has reviewed the policy, which is in the process of being approved. It provides guidance to the National Treasury on how to respond to issues pertaining to HIV/AIDS in the workplace. The policy address non-discriminatory practices in the workplace for the infected employees. It further gives guidance in terms of the reasonable accommodation to employees living with HIV/AIDS
Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved	Yes		The department conducts awareness on HIV/AIDS to encourage employees to go for voluntary counseling and testing. The unit conducted health screenings through GEMS, per quarter, where employees are invited to participate in the health screening, which includes counseling and testing. According to the annual report, statistics of HIV-testing employees has increased with a total of 134 employees who participated in the voluntary testing and counselling. None of the employees tested positive. There has been an increase in participation in comparison to the

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QUESTION	YES	NO	DETAILS, IF YES
			previous year. Both female and male condoms are distributed to both male and female bathrooms. A total of 1 200 condoms were distributed in 2024/25
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 quarterly reports as part of compliance reporting. These are submitted to the DPSA for monitoring and evaluation of the health programmes. The department also uses the internal operational plans of chief directors to measure, monitor and evaluate the programme. Constant staff feedback assists in monitoring and evaluating the impact of health promotion.

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2024 to 31 March 2025

SUBJECT MATTER	DATE
N/A	N/A

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 to 31 March 2025

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Written warning	0	0.00
Final written warning	0	0.00
Dismissal	0	0.00
Total	**0**	**0.00**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 to 31 March 2025

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Sexual harassment	0	0.00
Irregular expenditure	0	0.00
Poor work performance	1	100.00
Insubordination, dereliction of duties, non-compliance with leave policy	0	0.00
Dishonesty	0	0.00
Total	**1**	**100.00**

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Table 3.12.4 Grievances lodged for the period 1 April 2024 and 31 March 2025

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	10	71.00
Number of grievances not resolved	4	29.00
Total number of grievances lodged	14	100.00

Table 3.12.5 Disputes lodged with councils for the period 1 April 2024 to 31 March 2025

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	0	0.00
Number of disputes dismissed	1	0.55
Number of disputes pending	3	17.00
Number settled	7	39.00
Number of new disputes lodged	1	0.55
Total number of disputes	12	33.00

Table 3.12.6 Strike actions for the period 1 April 2024 to 31 March 2025

TOTAL NUMBER OF PERSON WORKING DAYS LOST	% 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 2024 to 31 March 2025

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspensions	0

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3.13 SKILLS DEVELOPMENT

Table 3.13.1 Training needs identified for the period 1 April 2024 to 31 March 2025

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 31 March 2025	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	135	0	60	0	60
	Male	122	0	52	0	52
Professionals	Female	147	0	69	0	69
	Male	147	0	55	0	55
Technicians and associated professionals	Female	132	0	52	0	52
	Male	86	0	40	0	40
Clerks	Female	176	0	58	0	58
	Male	84	0	27	0	27
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 trades workers	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**	**590**	**0**	**239**	**0**	**239**
	Male	**439**	**0**	**174**	**0**	**174**
Total		**1 029**	**0**	**413**	**0**	**413**

Note: Minister and Deputy Ministers not included in total.

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Table 3.13.2 Training provided for the period 1 April 2024 to 31 March 2025

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 31 March 2025	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	135	0	26	6	32
	Male	122	0	13	8	21
Professionals	Female	147	0	34	8	42
	Male	147	0	30	5	35
Technicians and associated professionals	Female	132	0	16	8	24
	Male	86	0	11	2	13
Clerks	Female	176	0	38	8	46
	Male	84	0	31	3	34
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 trades workers	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**	**590**	**0**	**114**	**30**	**144**
	Male	**439**	**0**	**85**	**18**	**103**
Total		**1 029**	**0**	**199**	**48**	**247**

Note: Minister and Deputy Ministers not included in total.

03 HUMAN RESOURCES OVERSIGHT STATISTICS

3.14 INJURY ON DUTY

Table 3.14.1 Injuries on duty for the period 1 April 2024 to 31 March 2025

NATURE OF INJURY ON DUTY	NUMBER	% 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 use of consultants in the department. In terms of the 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 which 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 2024 to 31 March 2025

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
Request to deviate from normal SCM processes and appoint a single-source service provider to assist in leading the South African delegation to ensure the country can exit the FATF grey list as soon as possible and assist in related anti-corruption measures	1	178	1 428 724.00
RFQ003-2024 | Appointment of a service provider from the GEPF and PIC panel to render professional services for software related	1	364	41 320 710.00

HUMAN RESOURCES OVERSIGHT STATISTICS 03

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
projects to National Treasury ICT for a period of 12 months			
Request for approval for code handover fees and continuation of the support and maintenance services on Asset and Liability Management back-office systems	1	181	1 329 984.00
RFQ001-1-2024 | Appointment of a service provider for the enhancement, maintenance and support of the procurement data analysis and visualisation software, and the data warehouse of the Office of the Chief Procurement Officer for a period of two years	1	539	9 165 624.65
RFQ220-2024 | Request for approval to appoint a service provider from a panel of consultants to conduct Board evaluation: Public Investment Corporation Limited (PIC) and the Land and Agricultural Development Bank of South Africa (Land Bank)	1	151	551 310.00
NT011-2024 | Appointment of a service provider to provide specialised technical assistance in local government planning, budgeting and reporting reforms in supporting the institutionalisation of reporting reforms for municipalities as described in the MFMA circular no. 88 for a period of three (3) years	1	1094	5 891 309.00
RFQ437-2024 | Request to appoint a service provider to assist with the planning and execution of the G20 Finance Track Deputies meeting in December 2024	1	29	969 200.00
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	1	1094	5 564 932.80

03 HUMAN RESOURCES OVERSIGHT STATISTICS

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS/SERVICE THAT WORKED ON PROJECT	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
delivery management system in Local Government over a period of 3 years			
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 grey listing, preparations for the next FATF mutual evaluation process and assisting in related anti-corruption measures	1	231	2 024 000.00
Request for approval for the continuation of the contract with the appointed service provider, Citofield CC, for the finalisation of the women empowerment and leadership programme	1		576 000.00
TOTAL	**9**	**60**	**8 811 209.82**

Table 3.15.2 Report on consultant appointments using donor funds for the period 1 April 2024 to 31 March 2025

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	DONOR AND CONTRACT VALUE IN RAND
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 2024 to 31 March 2025

	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
N/A			

3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2024 to 31 March 2025

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MINISTER OF 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**

2024/25

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	2024/25	2023/24
	R'000	R'000
Opening balance	284 713	279 635
Prior period errors		(5 616)
as restated	284 713	274 018
add: irregular expenditure confirmed	36	10 757
less: irregulal expenditure condoned	(3 690)	-
less: irregula expenditure not condoned and removed	(44 547)	
less: irregular expenditure recoverable	-	-
less: irregular expenditure not recovered and written off	-	(62)
closing balance	**236 512**	**284 713**

The amounts disclosed in the current and prior financial year relate mainly to irregular expenditure incurred on multiyear contracts.

A prior period error was raised to correct amounts that were incorrectly reporting as irregular for UU Technologies. This amount relates to payments made under a new contract with the service provider, which was concluded during 2023/24. The irregular contract ended and the new payments under the new contract shouldn't have been included on the irregular register.

Amounts condoned relates to GTAC R3.534 million and the National Treasury for Emthunzini R156 000. Furthermore, approval was granted by the director-general on 31 March 2025 to remove irregular expenditure relating to Bontle Ke Botho R5.967 million and UU Technologies R38.58 million.

Reconciling notes to the AFS disclosure

DESCRIPTION	2024/25	2023/24
	R'000	R'000
Irregular Expenditure that was under assessment in 2022/23	-	-
Irregular Expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular Expenditure for the current year	36	5 141
Total	36	5 141

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	2024/25	2023/24
	R'000	R'000
Irregular Expenditure under assessment	1491	1491
Irregular Expenditure under determination	-	-
Irregular Expenditure under investigation	-	-
Total 2	1491	1491

Accommodation costs incurred by the department in relation to the World Economic Forum on Africa are under assessment following a forensic investigation conducted during 2023/24. The assessment requires further consultation within the department to establish the correct mechanism of addressing the key issues raised in the report.

c) Details of current and previous year irregular expenditure condoned

DESCRIPTION	2024/25	2023/24
	R'000	R'000
Irregular expenditure condoned	3 690	3 690
Total	3 690	3 690

d) Details of current and previous year irregular expenditure removed (not condoned)

Amounts condoned relates to GTAC (R3.534 million) and the National Treasury for Emthunzini (R156 000).

DESCRIPTION	2024/25	2023/24
	R'000	R'000
UU Technologies	38 580	-
Bontle ke Batho	5 967	-
Total	44 547	-

Approval was granted by the director-general on 31 March 2025 to remove irregular expenditure relating to Bontle Ke Botho (R5.967 million) and UU Technologies (R38.58 million).

[1] *Group similar items*
[2] *Total unconfirmed irregular expenditure (assessment), losses (determination) and criminal conduct (investigation)*

IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES 01

e) Details of current and previous year irregular expenditure recovered

DESCRIPTION	2024/25	2023/24
	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	2024/25	2023/24
	R'000	R'000
Irregular Expenditure written off	-	62
Total	-	62

No irregular expenditure was recovered in the current financial year.

Losses to the amount of R61 870 in relation to irregular expenditure incurred on Emthunzini Aircon and Refrigeration, which were approved for write-off during 2023/24.

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)

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

01 IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

DESCRIPTION	2024/2025	2023/2024
	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
Bontle Ke Botho	Awareness letter issued to accountable official
Trustlink Swift Bureau Services	Awareness letter issued to accountable official
Emthunzini Aircon & Refrigeration	Warning letter was issued to accountable official
KPMG, Apex, Abacus	Warning letters issued to accountable officials
UU Technologies	Awareness letter issued to accountable official
MFIP	Consequences management initiated by GTAC; the National Treasury only reports the irregular expenditure amounts
Ditshegofatso	Awareness letter issued to accountable official
Deloitte and Touché	Consequence management in progress
Amargi Media	Awareness letter issued to accountable official

1.2 FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2024/25	2023/24
	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	2024/25	2023/24
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
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]	2024/25	2023/24
	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	2024/25	2023/24
	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	2024/25	2023/24
	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	2 822	1 357 903
Invoices paid within 30 days or agreed period	2 822	1 357 903
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 Institute of Internal Auditors South Africa as sole provider for the 2024 public sector conference from 6-7 May 2024	Institute of Internal Auditors South Africa	Sole provider	N/A	128
Request approval to deviate from SCM policy for catering for the OAG planning session on 23-24 April at Statistics South Africa	Servest	Single source	N/A	28
To request approval to deviate from the SCM policy for catering for the Provincial Accountants General Forum on 25-26 April at the DBSA	The Luncheon	Single source	N/A	28
Request approval to deviate from normal procurement process and to use Statistics South Africa's internal service provider for catering a workshop held on 2 May 2024	Servest	Single source	N/A	18
Request to deviate from the normal procurement process to continue with the appointment of Telkom SA SOC for telephony services until 8 January 2028	Telkom SA SOC Ltd	Single source	SLA-0246	3 010
Request approval to deviate from SCM processes for the subscription to Ratings Africa	Ratings Afrika	Sole provider	N/A	173
Request approval to deviate from the SCM policy for catering for the Budget Council meeting on the 10 May 2024 at the DBSA	The Luncheon Eatery	Single source	N/A	9
Request for approval for the renewal of Teammate Audit Management software licence from 1 May 2024 to 30 April 2025	Wolters Kluwer Tax & Accounting South Africa	Sole provider	N/A	130
Request to subscribe to the Regional Explorer subscription services for the provision of economic, socioeconomic, demographic and development information for municipalities at a spatial level for a period of three years	IHS Information and Insight	Single source	SLA-0244	799
Request for approval to deviate from normal procurement procedures for Creamer Media's Research Channel Africa subscription for the next three years, effective from 1 May 2024 to 1 May 2027	Creamer Media's Research Channel Africa	Sole provider	SLA-0239	15
Request approval to deviate from the normal procurement processes and	Relianoid LLC	Single source	N/A	84

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
appoint Relianoid LLC to provide technical support for two load balancers for a period of 12 months				
Request the acting chief financial officer to approve the processing and payment of the BarnOwl annual upgrade fees for 2024/25	IDI Technology Solutions	Sole provider	N/A	143
Request the acting chief financial officer to approve the appointment of Calandria 159, t/a NewspaperDirect, to render one online newspaper subscription service to the National Treasury for two years, effective from 1 June 2024 to 31 May 2026	Calandria 159 t/a NewspaperDirect	Sole provider	SLA-0242	59
Request approval from the acting chief financial officer to procure the Institute of Risk Management South Africa as sole provider for two employees in the Risk Management chief directorate to attend the certified risk practitioner designated course and exam	Institute of Risk Management South Africa	Sole provider	N/A	23
Request approval from the acting chief financial officer to procure the Leadership Academy for Guardians of Governance as sole provider for the agile auditing short course for employees in the Office of the Director-General within the Internal Audit chief directorate	Leadership Academy for Guardians of Governance	Sole provider	N/A	63
Request approval from the acting chief financial officer to procure the Leadership Academy for Guardians of Governance as sole provider for the performance auditing and advanced performance auditing in the public sector online courses for three employees in the Office of the Director-General within the Internal Audit chief directorate	Leadership Academy for Guardians of Governance	Sole provider	N/A	55
Request approval from the acting chief financial officer to procure the Information Systems Audit and Control Association as the sole provider for the IT risk fundamentals and IT audit fundamentals online courses for employees in the Internal Audit unit within the Office of the Director-General	Information Systems Audit and Control Association	Sole provider	N/A	41

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Request for approval for catering services for the strategic planning session for the Office of the Director-General at Statistics South Africa	Servest	Single source	N/A	16
Request to procure the Institute of Internal Auditors South Africa as sole provider for the 27th South African Internal Audit (SAIA) hybrid conference	Institute of Internal Auditors South Africa	Sole provider	N/A	340
Request to procure the Association of Certified Fraud Examiners as sole provider for the 17th annual fraud conference and exhibition for National Treasury officials to take place from 9-11 September 2024	Association of Certified Fraud Examiners	Sole provider	N/A	120
Request to procure the Leadership Academy for Guardians of Governance as sole provider for the performing internal audit engagements training for three employees in the Office of the Director-General within the Internal Audit chief directorate	Leadership Academy for Guardians of Governance	Sole provider	N/A	41
Renewal of annual subscription	Juta	Sole provider	N/A	16
Request approval to procure the Institute of Municipal engineering of South African as sole provider of the 87th conference from 6-8 November	Institute of Municipal engineering of South African	Sole provider	N/A	5
Request to procure Robert Edwin Conferences as sole provider for the legislative drafting workshop for an employee in the Office of the Director-General within the Legislation chief directorate	Robert Edwin Conferences	Sole provider	N/A	13
Request to procure Leadership Academy for Guardians of Governance as sole provider for the Global Internal Audit Standards training for employees in the Office of the Director-General within the Internal Audit chief directorate and officials in the Office of the Account-General within the Internal Audit Support chief directorate	Leadership Academy for Guardians of Governance	Sole provider	N/A	176
Request to deviate from normal SCM processes and appoint a single-source service provider to assist in leading the South African delegation to ensure the country can exit FAFT grey list as soon as	Ismail Momoniat	Single source	SLA-0247	1 429

INFORMATION ON SUPPLY CHAIN MANAGEMENT 03

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
possible and assist in related anti-corruption measures				
Request for approval to appoint a sole service provider as the organiser of the 2024 Finance Indaba	CFO Enterprises South Africa	Sole provider	N/A	70
Request to procure Information Systems Audit and Control Association as the sole provider for the association's South Africa 2024 annual conference for five employees in the Internal Audit chief directorate within the Office of the Director-General	Information Systems Audit and Control Association	Sole provider	N/A	47
Request the director-general to approve the month-month continuation of the maintenance and support contract for the Asset and Liability Management division back-office system provided by BB&D, from 1 April 2024 until 31 January 2025, to finalise the system code handover and the adjustment of the support fee	Barone Budge and Dominick (Pty) Ltd	Single source	SLA-0256	1 330
Request for approval for the National Treasury to become a formal member of the African Public Procurement Network and to authorise payment of the associated membership and annual fees	African Public Procurement Network	Single source	N/A	222
Request for approval to appoint a Sole service provider to organise the 2024 Sanlam Cape Town Marathon expo	CPT Marathon (Pty) Ltd	Sole provider	N/A	86
Request to appoint a service provider to be sourced outside the normal procurement process	Synergy Business Events	Sole provider	N/A	86
Request to procure SANS ISO 10845 (1-4) from the South African Bureau of Standards as sole provider	South African Bureau of Standards	Sole provider	N/A	4
Deviation request to appoint the GCIS to run an education and information radio campaign as part of the 2024 MTBPS	GCIS	Sole provider	N/A	574
Request approval to deviate from normal procurement processes and appoint an undertaker to arrange the funeral of the late minister Tito Mboweni	Broodie Funeral Parlor	Single source	N/A	253
Request to procure Robert Edwin Conferences as sole provider for the eighth annual leadership development for women in government and SOEs for employee in	Robert Edwin Conferences	Sole provider	N/A	16

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
corporate services within the HRM chief directorate				
Request for approval to pay a service provider for expenses incurred on the emergency procurement of plumbing services at the National Treasury – 40 Church Square, lower ground toilet	Nomcebo and Nathi	Emergency	N/A	13
Request to procure training services from Institute of Risk Management South Africa as sole provider for Mr Tladi Mofubetsona to attend the three online training courses	Institute of Risk Management South Africa	Sole provider	N/A	16
Request to procure the services of the Chartered Institute of Government Finance Audit and Risk Officers for the mSCOA annual conference at Cape Town International Convention Centre from 4-6 December 2024	Chartered Institute of Government Finance Audit and Risk Officers	Sole provider	N/A	17
Request to deviate from catering cost-containment measures by catering for an outreach programme and using the catering services for the outreach venue in-house caterer – add lunch, breakfast, bottled water and sweet beverages for transversal contract outreach plan catering on 27 November 2024	Khazilma Agencies	Single source	N/A	17
Request for approval to appoint Gautrain Management Agency as sole provider for the transportation of delegates attending the G20 finance track meeting in Sandton and for the procurement of Gautrain cards and fare costs	Gautrain Management Agency	Sole provider	N/A	156
RFQ585-2024: Request to appoint a service provider to be sourced outside the normal procurement process	H&G Partnership	Sole provider	N/A	95
RFQ584-2024: Request to appoint a service provider to be sourced outside the normal procurement process	Conker Investments	Sole provider	N/A	92
Request to deviate normal SCM processes to appoint Bowmans legal practice to provide legal services in the renegotiation of the contract with Oracle corporation for a period of 12 months	Bowmans Legal Practice	Single source	N/A	3 900
Subscription to Municipal IQ – December 2024	Municipal IQ	Sole provider	N/A	300

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Request to procure and change as a sole provider for the Prosci change management certification programme with an exam for two employees in the Office of the Accountant-General	And Change	Sole provider	N/A	88
RFQ625-2024: Request to appoint a service provider to be sourced outside the normal procurement process for the World Career Exhibition	Inkanyezi Event Organisers	Sole provider	N/A	27
Request to appoint a service provider to be sourced outside the normal procurement process as sole provider for the 2025 National Arts Festival	Village Green	Sole provider	N/A	8
Request to procure Leadership Academy for Guardians of Governance as a sole provider for performing effective quality assessment training for employees in the Office of the Director-General within the Internal Audit chief directorate	Leadership Academy	Sole provider	N/A	61
Request to procure Change as a sole provided for the Prosci change management certification programme with an exam for Ms Magoro within the Corporate Services division	Change	Sole provider	N/A	44
Request for approval to pay a service provider for expenses incurred on the emergency procurement for repairs to 40 Church Square, main gate	Emthunzini Air-conditioning and Refrigeration	Emergency	N/A	13
Deviation request to appoint GCIS to run a community radio campaign for the 2025 Budget Speech and G20 finance track	GCIS	Single source	N/A	300
Request for deviation from the standard procurement procedures on the basis of single-source service providers for the appointment and remuneration of service providers to allow for the undertaking of effective campaigning for the 2025 AfDB presidency	Media Collateral Company, Prof Thandeka C Nkwane, Thandeka Ngangelizwe, Sehela Nkanz	Single source	N/A	2 310
Request approval for catering for the Provincial Accountants General Forum at the DBSA	The Luncheon	Sole provider	N/A	35
Request for approval to deviate and advertise to solicit proposals for a panel of international experts through a closed bidding process: advertise for a panel of	Allen & Overy LLP, White and Case LLP, Arnold & Porter LLP, Clifford	Single source	N/A	-

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
domestic corporate legal experts for the National Treasury for a period of three years; extend the domestic legal panel for a period of up to six months; and include these projects in the 2025/26 procurement plan	Chance, Clearly Gorrlieb & Hamilton LLP, Linklaters LLP, Shearman & Sterling LLP and Norton Rose			
Request to deviate from normal SCM processes and appoint a single-source service provider to assist in leading the South African delegation to ensure the country can exit the FAFT grey list as soon as possible and assist in related anti-corruption measures	Ismail Momoniat	Single source	SLA-0280	2 984
Appointment of the Gautrain Management Agency as the sole provider for the transportation of delegates attending the G20 working group meetings and the procurement and advanced payment for Gautrain cards	Gautrain	Sole provider	N/A	268
Request for approval to deviate from normal supply chain process and host the post-meeting events for all working group meetings: international architecture, infrastructure and global partnership for financial inclusion working group at Freedom Park heritage site and museum	Freedom Park	Single source	N/A	952
Request for approval to appoint Karabo Parking Management to provide parking facilities for a period of three months	Karabo Parking Management	Single source	N/A	540
Request to procure Institute of Internal Auditors South Africa as sole provider for the public sector forum from 5-6 May 2025	Institute of Internal Auditors South Africa	Sole provider	N/A	31
				21 916

Contract variations and expansions

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
Request for approval for the extension of the contract between the National Treasury (Intergovernmental and Economic Policy division) with the Human Sciences Research Council for the mining, distribution and analysis of spatialised tax data	HSRC	Variation	SLA-0020	1 516	-	-
Request the director-general to approve the continuation of the parking lease agreement between the National Treasury and Karabo Parking Management (Pty) Ltd for parking facilities at Van Erkom parking arcade for a period of 10 months from 1 June 2024 to 28 February 2025 on a month-to-month basis	Karabo Parking Management (Pty) Ltd	Variation	SLA-0008	19 835	-	1 800
Request approval from the acting chief financial officer to amend the coaching agreement between	Crucial Communications CC	Variation	SLA-0200	143	-	247

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				’000	’000	’000
the National Treasury and Crucial Communications CC by increasing the budget of the agreement						
Request the approval of the acting chief financial officer for a no-cost extension of the contract with Citofield CC from 2 July 2024 for an additional two months	Citofiled CC	Variation	SLA-0240	640	-	-
Request the approval of the acting chief financial officer to true up three MS Teams Premium versions for GTAC, and for the licences to be paid under the National Treasury’s Microsoft Enterprise Agreement at the next renewal period in April 2025	Microsoft	Variation	INT-0039	84 568	-	5
Request for approval to amend the pricing on the State Information Technology Agency SLA for annexure AC – video conferencing services for the minister	SITA	Variation	SLA-0105	53 895	4 416	408

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
Request the acting chief financial officer to approve the 6% annual price escalation for Managed Integrity Evaluation, effective from 26 July 2024	Managed Integrity Evaluation (Pty) Ltd	Variation	SLA-0084	-	-	-
Request for the extension of the contract period with no financial implication in respect of the business impact analysis	Price Waterhouse Cooper	Variation	SLA-0203	856	-	-
Obtain approval from the acting chief financial officer to approve the 5% annual price increase for UU Technologies Logis system from 1 July 2024 to 30 June 2025	UU Technologies	Variation	SLA-0171	29 279	-	421
Request for approval for the extension on the contract with Ignatius Jacous Mulder for support for the development of the long-term financial strategy reform circular for municipalities	Ignatius Jacobus Mulder	Variation	SLA-0194	495	-	-
Obtain approval from the acting chief financial officer to increase the third-	Blue Turtle Technologies (Pty) Ltd	Variation	SLA-0118	842	114	86

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				’000	’000	’000
year licence maintenance fee for the BMC Control M Job scheduling tool and reduction of unused ad-hoc onsite support hours from 240 to 97						
Request for approval to amend the phase 4 and 5 deliverables to be realigned with the quarterly budget projections for the project of developing and implementing an SCM risk assessment and compliance monitoring plan for all spheres of government	Enterprise University of Pretoria (Pty) Ltd	Variation	SLA-0158	3 957	-	-
Request the director-general to approve the month-to-month continuation of the maintenance and support contract for the Asset and Liability Management division back-office system provided by BB&D, from 1 April 2024 to 31 January 2025, to finalise the system code handover and the	Barone Budge and Dominick (Pty) Ltd	Variation	SLA-01	8 847	69 716	4 754

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				’000	’000	’000
adjustment of the support fee						
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Abacus FCA (Pty) Ltd	Variation	SLA-0043	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Bowman Gilfillan Inc	Variation	SLA-0042	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Deloitte & Touche	Variation	SLA-0046	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	ENS Forensics (Pty) Ltd	Variation	SLA-0045	-	-	-

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Ernst & Young Advisory Services (Pty) Ltd	Variation	SLA-0060	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Fundudzi Foresinc Services (Pty) Ltd	Variation	SLA-0044	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Gobodo Forensic and Investigative Accounting (Pty) Ltd	Variation	SLA-0047	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Integrated Forensic Accounting Services (Pty) Ltd	Variation	SLA-0048	-	-	-
Request for approval for the continuation of services by the panel of forensic	JGL Forensic Services (Pty) Ltd	Variation	SLA-0049	-	-	-

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
investigating firms for the remainder of the financial year, ending 31 March 2025						
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	KPMG Services (Pty) Ltd	Variation	SLA-0050	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Madhlopa Thenga Incorporated	Variation	SLA-0051	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Morar Incorporated	Variation	SLA-0052	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year,	Nexia SAB&T Chartered Accountants Incorporated	Variation	SLA-0061	-	-	-

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
ending 31 March 2025						
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Nexus Forensic Services (Pty) Ltd	Variation	SLA-0053	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Ngidi Business Advisory Services (Pty) Ltd	Variation	SLA-0054	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Open Water Advanced Risk Solutions (Pty) Ltd	Variation	SLA-0055	-	-	-
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	PriceWaterhouseCoopers Incorporated	Variation	SLA-0056	-	-	-

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
Request for approval for the continuation of services by the panel of forensic investigating firms for the remainder of the financial year, ending 31 March 2025	Ubuntu Business Advisory and Consulting (Pty) Ltd	Variation	SLA-0057	-	-	-
Request approval for a month-to-month extension of the contract with Tirisan Tech Solutions (Pty) Ltd for contact centre support services	Tirisan Tech Solutions (Pty) Ltd	Variation	SLA-0058	-	-	-
Request approval for a month-to-month extension of the contract with Tirisan Tech Solutions (Pty) Ltd for contact centre support services	Tirisan Tech Solutions (Pty) Ltd	Variation	SLA-0059	45 510	-	6 983
Request for approval to procure a high availability site at SITA Beta, procure data lines and bandwidth to connect to the sites and to amend the SLA with SITA to reflect the new changes	SITA	Variation	SLA-0105	53 895	8 731	736
Request the approval of the acting chief financial officer for a non-cost	Harvest House Consulting and Training (Pty) Ltd	Variation	SLA-0250	983	-	-

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
extension of the contract with Harvesthouse Consulting and Training South Africa (Pty) Ltd from 4 October 2024 for an additional two months						
Payment to A1 Catering and Events for additional catering required for the tax and financial sector policy strategic planning session	A1 Catering and Events	Variation	N/A	18	-	3
Request for approval of an annual CPI increase for Tipp Focus Holdings (Pty) Ltd from 1 October 2024 to 30 September 2025	Tipp Focus	Variation	SLA-0176	96 302	-	732
Request for extension of the SA-Tied Phase II until 31 March 2024 with financial implications	Uni-Wider	Variation	INT-0034	37 924	3 000	10 000
Request for approval to extend the coaching agreement with Mufasa Mentoring and Business Coaching practice (Pty) Ltd	The Mufasa Mentoring and Business Coaching Practice	Variation	SLA-0210	89	-	-
Request for approval to true up 21 MS Teams licences for	Microsoft	Variation	INT-0039	84 568	-	48

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
GTAC to the premium version by leveraging the National Treasury's Microsoft enterprise agreement						
Approval to amend the termination date of the Telkom SLA	Telkom	Variation	SLA-0246	3 010	-	-
Request the variation of the BCX contract to include the replacement of the National Treasury secure data facility server, support and maintenance	Business Connexion	Variation	SLA-0223	132 579	-	12 707
Request for approval to extend the coaching agreement with Change Partners	Change Partners Coaching (Pty) Ltd	Variation	SLA-0220	75	-	-
Request for the extension of NT015-2021 for M-Jnr and Olwethu Consulting for a period not exceeding two months	M-Jnr and Olwethu Consulting (Pty) Ltd	Variation	SLA-0071	19 892	-	1 376
Extension to SLA-0258 from 28 February 2025 to 31 March 2025	The Institute of Board of Directors in SA	Variation	SLA-0258	551	-	-
Extension to SLA-0255 from 28 February 2025 to 31 March 2025	Clarity Global Strategic Communications (Pty) Ltd	Variation	SLA-0255	1 830	-	300
Request for approval of the annual price	M Guard	Variation	SLA-0241	1 277	-	152

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				’000	’000	’000
escalation for M Guard NT009-1-2023						
Request for approval of the CA Succeed Training (Pty) Ltd contract extension	CA Succeed (Pty) Ltd	Variation	SLA-0089	1 788	-	441
Request for a second extension on the contract between the Intergovernmental Relations division and Ignatius Jacobus for support of the development of the long-term financial strategy reform circular for municipalities	Ignatius Jacobus	Variation	SLA-0094	495	-	-
Request for approval for additional month-to-month extension for M-Jnr and Olwethu Consulting (Pty) Ltd for a period not exceeding two months and a reduction of scope of the extension due to relocation of offices	M-Jnr and Olwethu Consulting (Pty) Ltd	Variation	SLA-0071	19 892	1 376	454

INFORMATION ON SUPPLY CHAIN MANAGEMENT 03

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFI-CATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTACT VALUE	VALUE OF PREVIOUS CONTACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTACT EXPANSION OR VARIATION
				'000	'000	'000
Request for the Corporate Services deputy director-general to approve the price increase on annexure AC of the SITA SLA for ministerial video conferencing services	State Information Technology Agency	Variation	SLA-0105	53 895	1 016	18
TOTAL						**41 499**

2024/25

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

PART F
ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED **31 MARCH 2025**

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2024/25

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 set out on pages 337 to 413 which comprise the appropriation statement, statement of financial position as at 31 March 2025, 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 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 24 of 2024 (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

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

UNAUDITED SUPPLEMENTARY SCHEDULES

7. The supplementary information set out on pages 414 to 454 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.

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

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 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 at page 333, 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 2025 for auditing. I selected programmes that measures 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	169-176	Responsible for providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. To manage government's annual budget process and provide public finance management support.
Programme 4 - Asset and Liability Management	182-183	Provide strategic leadership, management and support services to the department.

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 this 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.
    - I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

16. I did not identify any material findings on the reported performance information for the selected programmes.

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

Other matter

17. I draw attention to the matter below:

ACHIEVEMENT OF PLANNED TARGETS

18. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.
19. The tables that follow 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 169 to 183.

PROGRAMME 3 – PUBLIC FINANCE AND BUDGET MANAGEMENT

TARGETS ACHIEVED: 91,67 % BUDGET SPENT: 88,2% %		
KEY INDICATOR NOT ACHIEVED	**PLANNED TARGET**	**REPORTED ACHIEVEMENT**
3.1.8 Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days of receipt	100%	57.14%

PROGRAMME 4 - ASSET AND LIABILITY MANAGEMENT

TARGETS ACHIEVED: 66.67% BUDGET SPENT: 95%		
KEY INDICATOR NOT ACHIEVED	**PLANNED TARGET**	**REPORTED ACHIEVEMENT**
4.1.2 Percentage of annual reports received from schedule 2 and 3B public entities reviewed	100%	96%
4.1.4 Percentage of complete review requests of borrowing limit applications relating to schedule 2 and 3B public entities reviewed	100%	75%

REPORT ON COMPLIANCE WITH LEGISLATION

20. 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.
21. 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.
22. 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.
23. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

24. The accounting officer is responsible for the other information. 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.

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

25. 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.
26. 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.
27. 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 years payments for the technical support and maintenance on licences 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

28. 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.
29. I did not identify any significant deficiencies in internal control.

MATERIAL IRREGULARITIES

30. 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

31. 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:

32. National Treasury has incurred expenditure for payment of technical support and maintenance for software licences 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.

33. As of 31 March 2025, 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 2024-25 financial periods on this system.

34. 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.

35. 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 Public Audit Act. 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.

36. 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
30 July 2025

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

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)

2024/25

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

PART F
FINANCIAL INFORMATION

For the period ended 31 March 2025

ANNUAL **FINANCIAL STATEMENT**

APPROPRIATION PER PROGRAMME

VOTED FUNDS AND DIRECT CHARGES		2024/25							2023/24	
		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	666 188	-	36 220	702 408	699 268	3 140	99.6%	609 884	486 176
2.	ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	142 695	-	(5 099)	137 596	120 058	17 538	87.3%	138 370	127 462
3.	PUBLIC FINANCE AND BUDGET MANAGEMENT	4 131 122	-	(61 960)	4,069 162	3 589 545	479 617	88.2%	4 003 767	3 977 671
4.	ASSET AND LIABILITY MANAGEMENT	144 884	-	280	145 164	137 940	7 224	95.0%	657 653	656 361
5.	FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	754 625	-	(17 370)	737 255	734 372	2 883	99.6%	821 580	754 884
6.	INTERNATIONAL FINANCIAL RELATIONS	2 775,313	-	(249 071)	2 526 242	2 321 449	204 793	91.9%	2 754 112	2 707 658
7.	CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	7 068 055	-	297 000	7 365 055	7 364 497	558	100.0%	6 659 738	6 659 665
8.	REVENUE ADMINISTRATION	12 388 563	-	-	12 388 563	12 388 563	-	100.0%	13 280 696	13 280 696
9.	FINANCIAL INTELLIGENCE AND STATE SECURITY	5 265 620	-	-	5 265 620	5 265 620	-	100.0%	5 424 478	5 424 478
	Programme subtotal	**33 337 065**	**-**	**-**	**33 337 065**	**32 621 312**	**715 753**	**97.9%**	**34 350 278**	**34 075 052**
	Statutory appropriation	**780 730 826**	**-**	**-**	**780 730 826**	**716 730 826**	**64 000 000**	**91.8%**	**677 144 469**	**601 142 332**
	LAND BANK	-	-	-	-	-	-	0.0%	502 000	499 863

VOTED FUNDS AND DIRECT CHARGES		2024/25							2023/24	
		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
	PROVINCIAL EQUITABLE SHARE	600 475 640	-	-	600 475 640	600 475 640	-	100.0%	585 085 919	585 085 919
	GENERAL FUEL LEVY SHARING WITH METROPOLITAN MUNICIPALITIES	16 126 608	-	-	16 126 608	16 126 608	-	100.0%	15 433 498	15 433 498
	GFECRA	100 000 000	-	-	100 000 000	100 000 000	-	100.0%	-	-
	AUDITOR-GENERAL OF SOUTH AFRICA	128 578	-	-	128 578	128 578	-	100.0%	123 052	123 052
	ESKOM	64 000 000	-	-	64 000 000	-	64 000 000	0.0%	76 000 000	-
	TOTAL	**814 067 891**	**-**	**-**	**814 067 891**	**749 352 138**	**64 715 753**	**92.1%**	**711 494 747**	**635 217 383**
Reconciliation with Statement of Financial Performance										
Add:										
	Departmental receipts				110 498 602				12 686 446	
	Aid assistance				69 390				159 466	
Actual amounts per Statement of Financial Performance (total revenue)					**924 635 883**				**724 340 659**	
Add:										
	Aid assistance					41 608				141 911
	Prior year unauthorised expenditure approved without funding					-				-
Actual amounts per Statement of Financial Performance (total expenditure)						**749 393 746**				**635 359 294**

APPROPRIATION PER ECONOMIC CLASSIFICATION

		2024/25							2023/24	
		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	**2 896 907**	**(3 281)**	**(78 000)**	**2 815 626**	**2 635 471**	**180 155**	**93.6%**	**2 347 594**	**2 214 658**
	Compensation of employees	969 707	6 200	-	975 907	**970 590**	**5 317**	99.5%	909 115	905 571
	Goods and services	1 927 200	(9 481)	(78 000)	1 839 719	**1 664 881**	**174 838**	90.5%	1 438 479	1 309 087
	Transfers and subsidies	**810 228 581**	**1 805**	**78 000**	**810 308 386**	**745 776 109**	**64 532 277**	**92.0%**	**707 072 024**	**631 033 050**
	Provinces and municipalities	619 026 228	-	-	619 026 228	619 026 228	-	100.0%	602 904 006	602 904 006
	Departmental agencies and accounts	18 294 581	150	-	18 294 731	17 997 635	297 096	98.4%	19 619 465	19 619 276
	Foreign governments and international organisations	1 847 597	(450)	(219 000)	1 628 147	1 441 832	186 315	88.6%	1 744 219	1 707 683
	Public corporations and private enterprises	164 047 314	-	-	164 047 314	100 000 000	64 047 314	61.0%	76 198 773	198 773
	Households	7 012 861	2 105	297 000	7 311 966	7 310 414	1 552	100.0%	6 605 561	6 603 312
	Payments for capital assets	**125 503**	**1 476**	**-**	**126 979**	**123 368**	**3 611**	**97.2%**	**118 409**	**18 110**
	Machinery and equipment	125 423	1 109	-	126 532	122 921	3 611	97.1%	118 409	18 110
	Software and other intangible assets	80	367	-	447	447	-	100.0%	-	-
	Payment for financial assets	**816 900**	**-**	**-**	**816 900**	**817 190**	**(290)**	**100.0%**	**1 956 720**	**1 951 565**
	Total	**814 067 891**	**-**	**-**	**814 067 891**	**749 352 138**	**64 715 753**	**92.1%**	**711 494 747**	**635 217 383**

SUB PROGRAMME		2024/25							2023/24	
		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	5 868	(203)	(22)	5 643	5 642	1	100.0%	4 137	4 136
2.	DEPARTMENTAL MANAGEMENT	74 190	(21,452)	36 849	89 587	88 561	1 026	98.9%	61 869	63 237
3.	CORPORATE SERVICES	287 989	14 127	(510)	301 606	300 545	1 061	99.6%	252 707	134 042
4.	ENTERPRISE-WIDE RISK MANAGEMENT	41 871	(1 130)	(10)	40 731	40 591	140	99.7%	37 946	36 352
5.	FINANCIAL ADMINISTRATION	60 500	2 299	(13)	62 786	62 706	80	99.9%	60 925	58 768
6.	LEGAL SERVICES	19 802	6 171	-	25 973	25 912	61	99.8%	29 349	29 134
7.	INTERNAL AUDIT	25 612	(1 103)	(3)	24 506	24 209	297	98.8%	19 658	19 359
8.	COMMUNICATIONS	12 893	638	-	13 531	13 166	365	97.3%	12 085	11 470
9.	OFFICE ACCOMMODATION	137 463	653	(71)	138 045	137 936	109	99.9%	131 208	129 678
	Total	**666 188**	**-**	**36 220**	**702 408**	**699 268**	**3 140**	**99.6%**	**609 884**	**486 176**
Economic classification										
	Current payments	**537 951**	**-**	**36 220**	**574 171**	**574 057**	**114**	**100.0%**	**502 498**	**474 279**
	Compensation of employees	237 871	1 500	3 449	242 820	242 775	45	100.0%	219 866	219 829
	Goods and services	300 080	(1 500)	32 771	331 351	331 282	69	100.0%	282 632	254 450
	Transfers and subsidies	**10 525**	**-**	**-**	**10 525**	**9 715**	**810**	**92.3%**	**6 679**	**5 627**
	Departmental agencies and accounts	2 659	150	-	2 809	2 805	4	99.9%	2 535	2 346
	Households	7 866	(150)	-	7 716	6 910	806	89.6%	4 144	3 281
	Payments for capital assets	**117 712**	**-**	**-**	**117 712**	**115 250**	**2 462**	**97.9%**	**100 707**	**5 704**
	Machinery and equipment	117 632	80	-	117 712	115 250	2 462	97.9%	100 707	5 704

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

SUB PROGRAMME	2024/25								2023/24	
	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
Software and other intangible assets	80	(80)	-	-	-	-	0.0%	-	-
Payment for financial assets	-	-	-	-	246	(246)	**0.0%**	-	566
Total	**666 188**	-	**36 220**	**702 408**	**699 268**	**3 140**	**99.6%**	**609 884**	**486 176**

PROGRAMME 1: ADMINISTRATION

		2024/25							2023/24	
		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.	MINISTRY	5 868	(203)	(22)	5 643	5 642	1	100.0%	4 137	4 136
2.	DEPARTMENTAL MANAGEMENT	74 190	(21,452)	36 849	89 587	88 561	1 026	98.9%	61 869	63 237
3.	CORPORATE SERVICES	287 989	14 127	(510)	301 606	300 545	1 061	99.6%	252 707	134 042
4.	ENTERPRISE-WIDE RISK MANAGEMENT	41 871	(1 130)	(10)	40 731	40 591	140	99.7%	37 946	36 352
5.	FINANCIAL ADMINISTRATION	60 500	2 299	(13)	62 786	62 706	80	99.9%	60 925	58 768
6.	LEGAL SERVICES	19 802	6 171	-	25 973	25 912	61	99.8%	29 349	29 134
7.	INTERNAL AUDIT	25 612	(1 103)	(3)	24 506	24 209	297	98.8%	19 658	19 359
8.	COMMUNICATIONS	12 893	638	-	13 531	13 166	365	97.3%	12 085	11 470
9.	OFFICE ACCOMMODATION	137 463	653	(71)	138 045	137 936	109	99.9%	131 208	129 678
	Total	**666 188**	**-**	**36 220**	**702 408**	**699 268**	**3 140**	**99.6%**	**609 884**	**486 176**
Economic classification										
	Current payments	**537 951**	**-**	**36 220**	**574 171**	**574 057**	**114**	**100.0%**	**502 498**	**474 279**
	Compensation of employees	237 871	1 500	3 449	242 820	242 775	45	100.0%	219 866	219 829
	Goods and services	300 080	(1 500)	32 771	331 351	331 282	69	100.0%	282 632	254 450
	Transfers and subsidies	**10 525**	**-**	**-**	**10 525**	**9 715**	**810**	**92.3%**	**6 679**	**5 627**
	Departmental agencies and accounts	2 659	150	-	2 809	2 805	4	99.9%	2 535	2 346
	Households	7 866	(150)	-	7 716	6 910	806	89.6%	4 144	3 281
	Payments for capital assets	**117 712**	**-**	**-**	**117 712**	**115 250**	**2 462**	**97.9%**	**100 707**	**5 704**
	Machinery and equipment	117 632	80	-	117 712	115 250	2 462	97.9%	100 707	5 704
	Software and other intangible assets	80	(80)	-	-	-	-	0.0%	-	-
	Payment for financial assets	**-**	**-**	**-**	**-**	**246**	**(246)**	**0.0%**	**-**	**566**
	Total	**666 188**	**-**	**36 220**	**702 408**	**699 268**	**3 140**	**99.6%**	**609 884**	**486 176**

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

		2024/25							2023/24	
		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	35 329	(3 677)	-	31 652	24 674	6 978	78.0%	29 678	22 255
2.	FINANCIAL SECTOR POLICY	26 044	2 714	(5 099)	23 659	22 101	1 558	93.4%	29 205	28 422
3.	TAX POLICY	31 100	150	-	31 250	26 678	4 572	85.4%	28 597	27 371
4.	ECONOMIC POLICY	33 372	813	-	34 185	29 755	4 430	87.0%	29 979	28 504
5.	COOPERATIVE BANKS DEVELOPMENT AGENCY	16 850	-	-	16 850	16 850	-	100.0%	20 911	20 911
	Total	**142 695**	**-**	**(5 099)**	**137 596**	**120 058**	**17 538**	**87.3%**	**138 370**	**127 462**
Economic classification										
	Current payments	**125 352**	**(816)**	**(5 099)**	**119 437**	**102 153**	**17 284**	**85.5%**	**107 654**	**97 617**
	Compensation of employees	90 277	-	(5 099)	85 178	79 049	6 129	92.8%	74 965	74 955
	Goods and services	35 075	(816)	-	34 259	23 104	11 155	67.4%	32 689	22 662
	Transfers and subsidies	**16 850**	**649**	**-**	**17 499**	**17 372**	**127**	**99.3%**	**29 802**	**29 776**
	Departmental agencies and accounts	16 850	-	-	16 850	16 850	-	100.0%	28 911	28 911
	Households	-	649	-	649	522	127	80.4%	891	865
	Payments for capital assets	**493**	**167**	**-**	**660**	**533**	**127**	**80.8%**	**914**	**47**
	Machinery and equipment	493	167	-	660	533	127	80.8%	914	47
	Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**0.0%**	**-**	**22**
	Total	**142 695**	**-**	**(5 099)**	**137 596**	**120 058**	**17 538**	**87.3%**	**138 370**	**127 462**

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

		2024/25							2023/24	
		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	28 540	(10 380)	40	18 200	17 855	345	98.1%	21 862	19 881
2.	PUBLIC FINANCE	77 067	2 777	-	79 844	79 503	341	99.6%	77 725	76 098
3.	BUDGET OFFICE AND COORDINATION	73 956	817	-	74 773	74 285	488	99.3%	74 247	73 260
4.	INTERGOVERNMENTAL RELATIONS	220 063	26 963	(62 000)	185 026	184 292	734	99.6%	163 476	143 836
5.	FINANCIAL AND FISCAL COMMISSION	60 266	-	-	60 266	60 266	-	100.0%	59 084	59 084
6.	FACILITATION OF CONDITIONAL GRANTS	2 423 980	-	-	2 423 980	2 423 980	-	100.0%	2 384 589	2 384 589
7.	CATALYTIC INFRASTRUCTURE AND DEVELOPMENT SUPPORT PROGRAMME	825 851	(16 567)	-	809 284	628 667	180 617	77.7%	567 559	567 219
8.	GOVERNMENT TECHNICAL ADVISORY CENTRE	421 399	(3 610)	-	417 789	120 697	297 092	28.9%	655 226	653 704
	Total	**4 131 122**	**-**	**(61 960)**	**4 069 162**	**3 589 549**	**479 617**	**88.4%**	**4 003 767**	**3 977 671**
Economic classification										
	Current payments	**1 228 015**	**(800)**	**(61 960)**	**1 165 255**	**1 030 076**	**135 179**	**88.4%**	**767 377**	**742 486**
	Compensation of employees	265 811	2 600	40	268 451	268 446	5	100.0%	257 140	257 127
	Goods and services	962 204	(3 400)	(62 000)	896 804	761 630	135 174	84.9%	510 237	485 359
	Transfers and subsidies	**2 901 720**	**691**	**-**	**2 902 411**	**2 557 998**	**344 413**	**88.1%**	**3 233 341**	**3 233 116**
	Provinces and municipalities	2 423 980	-	-	2 423 980	2 423 980	-	100.0%	2 384 589	2 384 589
	Departmental agencies and accounts	430 065	-	-	430 065	132 973	297 092	30.9%	649 310	649 310
	Public corporations and private enterprises	47 314	-	-	47 314	-	47 314	0.0%	198 773	198 773
	Households	361	691	-	1 052	1 045	7	99.3%	669	444
	Payments for capital assets	**1 387**	**109**	**-**	**1 496**	**1 449**	**47**	**96.9%**	**3 049**	**2 009**
	Machinery and equipment	1 387	109	-	1 496	1 449	47	96.9%	3 049	2 009
	Payment for financial assets	**-**	**-**	**-**	**-**	**22**	**(22)**	**0.0%**	**-**	**60**
	Total	**4 131 122**	**-**	**(61 960)**	**4 069 162**	**3 589 545**	**479 617**	**88.2%**	**4 003 767**	**3 977 671**

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

		2024/25							2023/24	
		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	35 805	(4 141)	110	31 774	27 621	4 153	86.9%	51 858	51 475
2.	STATE-OWNED ENTITY FINANCIAL MANAGEMENT AND GOVERNANCE	38 903	3 146	40	42 089	42 030	59	99.9%	540 253	540 133
3.	GOVERNMENT DEBT MANAGEMENT	22 617	2 807	130	25 554	25 201	353	98.6%	22 943	23 077
4.	FINANCIAL OPERATIONS	34 691	(672)	-	34 019	31 632	2 387	93.0%	32 065	31 296
5.	STRATEGY AND RISK MANAGEMENT	12 868	(1 140)	-	11 728	11 456	272	97.7%	10 534	10 381
	Total	**144 884**	**-**	**280**	**145 164**	**137 940**	**7 224**	**95.0%**	**657 653**	**656 361**
Economic classification										
	Current payments	**144 574**	**(1 591)**	**280**	**143 263**	**136 123**	**7 140**	**95.0%**	**156 345**	**155 051**
	Compensation of employees	96 335	-	280	96 615	96 613	2	100.0%	89 048	89 236
	Goods and services	48 239	(1 591)	-	46 648	39 510	7 138	84.7%	67 297	65 815
	Transfers and subsidies	**-**	**391**	**-**	**391**	**388**	**3**	**99.2%**	**183**	**182**
	Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-
	Households	-	391	-	391	388	3	99.2%	183	182
	Payments for capital assets	**310**	**1 200**	**-**	**1 510**	**1 429**	**81**	**94.6%**	**984**	**983**
	Machinery and equipment	310	1 200	-	1 510	1 429	81	94.6%	984	983
	Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**0.0%**	**500 141**	**500 145**
	Total	**144 884**	**-**	**280**	**145 164**	**137 940**	**7 224**	**95.0%**	**657 653**	**656 361**

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

		2024/25							2023/24	
		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	62 092	2 093	(3 000)	61 185	60 717	468	99.2%	60 546	58 314
2.	OFFICE OF THE CHIEF PROCUREMENT OFFICER	81 817	5 775	-	87 592	86 819	773	99.1%	83 022	79 229
3.	FINANCIAL SYSTEMS	353 747	4 874	(10 700)	347 921	347 117	804	99.8%	377 299	333 764
4.	FINANCIAL REPORTING FOR NATIONAL ACCOUNTS	120 314	(1 182)	(1 970)	117 162	116 691	471	99.6%	115 252	114 392
5.	FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT	136 304	(11 335)	(1 700)	123 269	122 771	498	99.6%	135 125	118 908
6.	AUDIT STATUTORY BODIES	-	-	-	-	-	-	0.0%	50 000	50 000
7.	SERVICE CHARGES: COMMERCIAL BANKS	351	(225)	-	126	257	(131)	204.0%	336	277
	Total	**754 625**	**-**	**(17 370)**	**737 255**	**734 372**	**2 883**	**99.6%**	**821 580**	**754 884**
Economic classification										
	Current payments	**685 381**	**(45)**	**(17 370)**	**667 966**	**665 539**	**2 427**	**99.6%**	**695 666**	**633 207**
	Compensation of employees	237 714	-	(1 370)	236 344	236 451	(107)	100.0%	229 929	225 912
	Goods and services	447 667	(45)	(16 000)	431 622	429 088	2 534	99.4%	465 737	407 295
	Transfers and subsidies	**64 200**	**45**	**-**	**64 245**	**64 241**	**4**	**100.0%**	**113 824**	**112 413**
	Departmental agencies and accounts	62 246	-	-	62 246	62 246	-	100.0%	110 483	110 483
	Households	1 954	45	-	1 999	1 995	4	99.8%	3 341	1 930
	Payments for capital assets	**5 044**	**-**	**-**	**5 044**	**4 570**	**474**	**90.6%**	**12 090**	**9 203**
	Machinery and equipment	5 044	(447)	-	4 597	4 123	474	89.7%	12 090	9 203
	Software and other intangible assets	-	447	-	447	447	-	100.0%	-	-
	Payment for financial assets	**-**	**-**	**-**	**-**	**22**	**(22)**	**0.0%**	**-**	**61**
	Total	**754 625**	**-**	**(17 370)**	**737 255**	**734 372**	**2 883**	**99.6%**	**821 580**	**754 884**

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

		2024/25							2023/24	
		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	18 148	306	-	18 454	16 202	2 252	87.8%	15 787	14 657
2.	INTERNATIONAL ECONOMIC COOPERATION	93 368	(306)	(30 071)	62 991	46 765	16 226	74.2%	40 527	35 127
3.	AFRICAN INTEGRATION AND SUPPORT	1 639 118	-	(219 000)	1 420 118	1 240 538	179 580	87.4%	1 537 974	1 505 453
4.	INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS	997 521	-	-	997 521	992 447	5 074	99.5%	1 132 829	1 126 550
5.	INTERNATIONAL PROJECTS	27 158	-	-	27 158	25 497	1 661	93.9%	26 995	25 871
	Total	**2 775 313**	**-**	**(249 071)**	**2 526 242**	**2 321 449**	**204 793**	**91.9%**	**2 754 112**	**2 707 658**
Economic classification										
	Current payments	**110 959**	**(29)**	**(30 071)**	**80 859**	**62 801**	**18 058**	**77.7%**	**55 572**	**49 537**
	Compensation of employees	41 699	2 100	2 700	46 499	47 256	(757)	101.6%	38 167	38 513
	Goods and services	69 260	(2 129)	(32 771)	34 360	15 545	18 815	45.2%	17 405	11 024
	Transfers and subsidies	**1 846 897**	**29**	**(219 000)**	**1 627 926**	**1 441 611**	**186 315**	**88.6%**	**1 743 296**	**1 707 109**
	Foreign governments and international organisations	1 846 897	-	(219 000)	1 627 897	1 441 582	186 315	88.6%	1 743 219	1 707 033
	Households	-	29	-	29	29	-	100.0%	77	76
	Payments for capital assets	**557**	**-**	**-**	**557**	**137**	**420**	**24.6%**	**665**	**164**
	Machinery and equipment	557	-	-	557	137	420	24.6%	665	164
	Payment for financial assets	**816 900**	**-**	**-**	**816 900**	**816 900**	**-**	**100.0%**	**954 579**	**950 848**
	Total	**2 775 313**	**-**	**(249 071)**	**2 526 242**	**2 321 449**	**204 793**	**91.9%**	**2 754 112**	**2 707 658**

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

		2024/25							2023/24	
		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.	GOVERNMENT PENSIONS ADMINISTRATION AGENCY	64 675	-	-	64 675	64 722	(47)	100.1%	62 482	62 481
2.	CIVIL PENSIONS AND CONTRIBUTIONS TO FUNDS	6 773 755	(3 460)	297 000	7 067 295	7 066 735	560	100.0%	6 373 436	6 373 367
3.	MILITARY PENSIONS AND OTHER BENEFITS	229 625	3 460	-	233 085	233 040	45	100.0%	223 820	223 817
	Total	**7 068 055**	**-**	**297 000**	**7 365 055**	**7 364 497**	**558**	**100.0%**	**6 659 738**	**6,659,665**
Economic classification										
	Current payments	**64 675**	**-**	**-**	**64 675**	**64 722**	**(47)**	**100.1%**	**62 482**	**62 481**
	Compensation of employees	-	-	-	-	-	-	0.0%	-	-
	Goods and services	64 675	-	-	64 675	64 722	(47)	100.1%	62 482	62 481
	Transfers and subsidies	**7 003 380**	**-**	**297 000**	**7 300 380**	**7 299 775**	**605**	**100.0%**	**6 597 256**	**6 597 184**
	Foreign governments and international organisations	700	(450)	-	250	250	-	100.0%	1 000	650
	Households	7 002 680	450	297 000	7 300 130	7 299 525	605	100.0%	6 596 256	6 596 534
	Total	**7 068 055**	**-**	**297 000**	**7 365 055**	**7 364 497**	**558**	**100.0%**	**6 659 738**	**6 659 665**

PROGRAMME 8: REVENUE ADMINISTRATION

		2024/25							2023/24	
		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	12 388 563	-	-	12 388 563	12 388 563	-	100.0%	13 280 696	13 280 696
	Total	**12 388 563**	**-**	**-**	**12 388 563**	**12 388 563**	**-**	**100.0%**	**13 280 696**	**13 280 696**
Economic classification										
	Transfers and subsidies	**12 388 563**	**-**	**-**	**12 388 563**	**12 388 563**	**-**	**100.0%**	**13 280 696**	**13 280 696**
	Departmental agencies and accounts	12 388 563	-	-	12 388 563	12 388 563	-	100.0%	13 280 696	13 280 696
	Total	**12 388 563**	**-**	**-**	**12 388 563**	**12 388 563**	**-**	**100.0%**	**13 280 696**	**13 280 696**

PROGRAMME 9: FINANCIAL INTELLIGENCE AND STATE SECURITY

		2024/25							2023/24	
		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	400 871	-	-	400 871	400 871	-	100.0%	385 730	385 730
2.	SECRET SERVICES	4 864 749	-	-	4 864 749	4 864 749	-	100.0%	5 038 748	5 038 748
	Total	**5 265 620**	**-**	**-**	**5 265 620**	**5 265 620**	**-**	**100.0%**	**5 424 478**	**5 424 478**
Economic classification										
	Transfers and subsidies	**5 265 620**	**-**	**-**	**5 265 620**	**5 265 620**	**-**	**100.0%**	**5 424 478**	**5 424 478**
	Departmental agencies and accounts	5 265 620	-	-	5 265 620	5 265 620	-	100.0%	5 424 478	5 424 478
	Total	**5 265 620**	**-**	**-**	**5 265 620**	**5 265 620**	**-**	**100.0%**	**5 424 478**	**5 424 478**

DIRECT CHARGES

		2024/25							2023/24	
		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%	502 000	499 863
2.	PROVINCIAL EQUITABLE SHARE	600 475 640	-	-	600 475 640	600 475 640	-	100.0%	585 085 919	585 085 919
3.	GENERAL FUEL LEVY SHARING WITH METROPOLITAN MUNICIPALITIES	16 126 608	-	-	16 126 608	16 126 608	-	100.0%	15 433 498	15 433 498
4.	GFECRA	100 000000	-	-	100 000 000	100 000 000	-	100.0%	-	-
5.	AUDITOR-GENERAL OF SOUTH AFRICA	128 578	-	-	128 578	128 578	-	100.0%	123 052	123 052
6.	DEBT-SERVICE COSTS	-	-	-	-	-	-	0.0%	-	-
7.	ESKOM	64 000 000	-	-	64 000 000	-	64 000 000	0.0%	76 000 000	-
	Total	**780 730 826**	**-**	**-**	**780 730 826**	**716 730 826**	**64 000 000**	**91.8%**	**677 144 469**	**601 142 332**
Economic classification										
	Current payments	**-**	**-**	**-**	**-**	**-**	**-**	**0.0%**	**-**	**-**
	Compensation of employees	-	-	-	-	-	-	0.0%	-	-
	Goods and services	-	-	-	-	-	-	0.0%	-	-
	Transfers and subsidies	**780 730 826**	**-**	**-**	**780 730 826**	**716 730 826**	**64 000 000**	**91.8%**	**676 642 469**	**600 642 469**
	Provinces and municipalities	616 602 248	-	-	616 602 248	616 602 248	-	100.0%	600 519 417	600 519 417
	Departmental agencies and accounts	128 578	-	-	128 578	128 578	-	100.0%	123 052	123 052
	Public corporations and private enterprises	164 000 000	-	-	164 000 000	100 000 000	64 000 000	61.0%	76 000 000	-
	Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**0.0%**	**502 000**	**499 863**
	Total	**780 730 826**	**-**	**-**	**780 730 826**	**716 730 826**	**64 000 000**	**91.8%**	**677 144 469**	**601 142 332**

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail 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 on 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	**702 408**	**699 268**	**3 140**	**0.4%**

The underspending is mainly attributed to the Capital Expenditure on a new ministerial vehicle, which did not materialise as anticipated during the current financial year. The procurement for the ministerial vehicle will be finalised during 2025/26. As a result, the unspent funds will be declared back to fiscus.

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	**137 596**	**120 058**	**17 538**	**13%**

The underspending is mainly attributed to Compensation of Employees and due to vacant positions, Goods and Services on consultants due to delayed invoices resulting from administrative issues with a service provider as well as the delayed appointment of a consultant. As a result, the unspent funds will be declared back to fiscus.

PUBLIC FINANCE AND BUDGET MANAGEMENT	**4 069 162**	**3 589 545**	**479 617**	**12%**

An amount of **R479.6 million** is made up of **R477.7 million** which is not an underspending but rather an advance payment made to MFIP, NDPG Indirect grant, DBSA, IDIP, CSP and the Jobs Fund during 2024/25. Underspending of **R2 million** will be declared back to fiscus.

ASSET AND LIABILITY MANAGEMENT	**145 164**	**137 940**	**7 224**	**5%**

The underspending is mainly attributed to Goods and Services on computer services and consultants due to lower than anticipated spending relating to the support, maintenance and enhancement of the back-office system. As a result, the unspent funds will be declared back to fiscus.

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	**737 255**	**734 372**	**2 883**	**0.4%**

The underspending is mainly attributed to consultants' invoiced amounts being lower than projected, lower travel costs, lower than anticipated training costs and lower than anticipated spending on the procurement of laptops. As a result, the unspent funds will be declared back to fiscus.

INTERNATIONAL FINANCIAL RELATIONS	**2 526 242**	**2 321 449**	**204 793**	**8%**

The underspending is mainly attributed to the Common Monetary Area compensation in relation to the lower than anticipated transfer payments for the compensation payments to Eswatini, Namibia and Lesotho. The unspent funds will be declared back to fiscus.

CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	**7 365 055**	**7 364 497**	**558**	**0.1%**

The minor underspending is mainly attributed to lower than anticipated expenditure on households social benefits. The unspent funds will be declared back to fiscus.

REVENUE ADMINISTRATION	**12 388 563**	**12 388 563**	**-**	**0%**

The appropriated budget was transferred to the South African Revenue Services.

FINANCIAL INTELLIGENCE AND STATE SECURITY	**5 265 620**	**5 265 620**	**-**	**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	**2 815 626**	**2 635 471**	**180 155**	
Compensation of employees	975 907	970 590	5 317	1%
Goods and services	1 839 719	1 664 881	174 838	10%
Transfers and subsidies	**810 308 386**	**45 776 109**	**64 532 277**	**8%**
Provinces and municipalities	619 026 228	619 026 228	-	0%
Departmental agencies and accounts	18 294 731	17 997 635	297 096	2%
Public corporations and private enterprises	164 047 314	100 000 000	64 047 314	39%
Foreign governments and international organisations	1 628 147	1 441 832	186 315	11%
Households	7 311 966	7 310 414	1 552	0%
Payments for capital assets	**126 979**	**123 368**	**3 611**	**3%**
Machinery and equipment	126 979	123 368	3 611	3%
Payments for financial assets	816 900	817 190	(290)	0%
	814 067 891	**749 352 138**	**4 715 753**	**8%**

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

The variance of **R64.7 billion** largely consists of the **R64 billion** that was transferred to Eskom for debt relief as a loan and does not constitute actual expenditure in the accounting records of the National Treasury. The remaining **R715.8 million** consists of the **R238 million** saving resulting from the CMA (R186.3 million reflecting on foreign governments and international organisations) as explained above on Programme 6. And **R477.7 million** relates to the advanced payment made to the MFIP, NDPG Indirect grant, DBSA, IDIP, CSP and the Jobs Fund during 2024/25 and therefore does not constitute underspending. **R477.7 million** is largely made of **R174 million** reflecting on Goods and services and **R297 million** on Departmental agencies and accounts.

4.3 Per conditional grant

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Infrastructure skills development grant	165 365	165 365	-	0%
Programme and project preparation support grant	385 840	385 840	-	0%
Local government financial management grant	582 223	582 223	-	0%
Neighbourhood development partnership grant	1 290 552	1 290 552	-	0%
Sub-total	**2 423 980**	**2 423 980**	**-**	**0%**
Neighbourhood Development Partnership Indirect Grant	94 890	93 925	965	1%
Total	**2 518 870**	**2 517 905**	**965**	**0.04%**

The minor variance is attributed to the Neighbourhood Development Partnership Indirect Grant owing to delays in work deliverables in some of the municipalities. The funds will be declared back to the fiscus.

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	600 475 640	600 475 640	-	100%
General Fuel Levy Sharing with Metropolitan mun	16 126 608	16 126 608	-	100%
GFECRA	100 000 000	100 000 000	-	100%
Auditor-General Of South Africa	128 578	128 578	-	100%
Eskom	64 000 000	-	64 000 000	0%
Total	**780 730 826**	**716 730 826**	**64 000 000**	**91.8%**

The variance is attributable to **R64 billion** that was transferred to Eskom for debt relief as a loan, which does not constitute an expenditure in the books of NT.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	*1*	33 337 065	34 350,278
Statutory appropriation	*2*	780 730 826	677 144 469
Departmental revenue	*3*	110 498 602	12 686 446
Aid assistance		69 390	159 466
TOTAL REVENUE		**924 635 883**	**724 340 659**
EXPENDITURE			
Current expenditure			
Compensation of employees	*5*	970 590	905 571
Goods and services	*6*	1 664 881	1 309 087
Aid assistance	*4*	41 608	141 911
Total current expenditure		**2 677 079**	**2 356 569**
Transfers and subsidies			
Transfers and subsidies	*8*	745 776 109	631 033 050
Total transfers and subsidies		**745 776 109**	**631 033 050**
Expenditure for capital assets			
Tangible assets	*9*	122 921	18 109
Intangible assets	*9*	447	-
Total expenditure for capital assets		**123 368**	**18 109**
Payments for financial assets	***7***	817 190	1 951 566
TOTAL EXPENDITURE		**749 393 746**	**635 359 294**
SURPLUS/(DEFICIT) FOR THE YEAR		**175 242 137**	**88 981 365**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		**64 715 753**	**76 277 364**
Annual appropriation	*15*	715 753	275 227
Statutory Appropriation	*14,16*	64 000 000	76 002 137
Departmental revenue and NRF Receipts	*17*	110 498 602	12 686 446
Aid assistance	*4*	27 782	17 555
SURPLUS/(DEFICIT) FOR THE YEAR		**175 242 137**	**88 981 365**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current Assets		**56 760 427**	**32 446 748**
Cash and cash equivalents	10	226 848	332 869
Prepayments and advances	11	520 867	103 294
Receivables	12	12 712	10 585
Loans	14	56 000 000	32 000 000
Non- Current Assets		**36 635 446**	**36 636 311**
Investments	13	36 597 656	36 597 656
Prepayments and advances	11	18 635	18 156
Receivables	12	19 155	20 499
TOTAL ASSETS		**93 395 873**	**69 083 059**
LIABILITIES			
Current Liabilities		**797 485**	**484 835**
Voted funds to be surrendered to the	15	238 047	275 227
Revenue Fund	15	477 706	-
Advance payments to entities	16	-	2 137
Statutory Appropriation to be surrendered to the Revenue Fund			
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	17	8 724	148 860
Payables	18	45 225	41 345
Aid assistance repayable	4	27 782	17 265
TOTAL LIABILITIES		**797 485**	**484 835**
NET ASSETS		**92 598 388**	**68 598 224**
Represented by:			
Capitalisation reserve		92 597 656	68 597 656
Recoverable revenue		732	568
TOTAL		**92 598 388**	**68 598 224**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

Capitalisation reserve

The National Treasury has made payments to the total of **R64 billion** loan appropriated to Eskom in 2024/25 in line with the Eskom Debt Relief Act (2023) as at 31 March 2025. The Eskom Debt Relief Act (2023) specifies the financial assistance that will be provided to Eskom over the course of three fiscal years. Capitalisation reserve of **R92.6 billion** is inclusive of the **R56 billion** portion of the loan that has not been converted to shares transferable to department of public enterprises (DPE) as at 31 March 2025.

The difference of **R8 billion** was approved by the minister of finance to be converted into ordinary shares to DPE.

The appropriated **R66 billion** was reduced by **R2 billion**, and this has been captured in the budget review under chapter 8 on Eskom.

The increase on capitalisation reserve will clear once the minister approves that the conditions of the conversion of shares have been met and they are issued to DPE.

Voted funds to be surrendered to NRF – refer to Note 15

The voted funds to be surrendered to NRF totals to R715.8 million, however this figure is split into two on POS as R238 million, which is an underspending for the department and will be surrendered to NRF, and R477.7 million, which is an advance payment made to entities and therefore does not constitute an underspending as the funds are already disbursed to the entities accounts. The reason why the R477.7 million is reflected under liabilities as the funds are with the entities and will therefore not be surrendered to NRF. The liability will be cleared as the entities utilise the funds.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2024/25 R'000	2023/24 R'000
Capitalisation Reserves			
Opening balance		68 597 656	35 597 656
Transfers:			
Movement in Equity		-	1 000,000
Other movements		24 000 000	32 000,000
Closing balance		**92 597 656**	**68 597,656**
Recoverable revenue			
Opening balance		568	1 191
Transfers		164	-623
Debts raised		164	-623
Closing balance		**732**	**568**
TOTAL		**92 598 388**	**68 598 224**

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**1 024 442 587**	**724 099 978**
Annual appropriated funds received	1.1	33 337 065	34 350 278
Statutory appropriated funds received	2	780 730 826	677 144 469
Departmental revenue received	3	200 374 949	65 105
Interest received	3.3	9 930 357	12 380 660
Aid assistance received	4	69 390	159 466
Net (increase)/ decrease in working capital		(416 299)	(2 321)
Surrendered to Revenue Fund		(210 916 102)	(12 928 120)
Transferred to Capitalisation reserve	14	(64 000 000)	(76 000 000)
Surrendered to RDP Fund/Donor		(17 265)	(7 268)
Current payments		(2 677 079)	(2 356 569)
Payments for financial assets	7	(817 190)	(1 951 566)
Transfers and subsidies paid		(745 776 109)	(631 033 050)
Net cash flow available from operating activities	**19**	**(177 457)**	**(178 916)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received	3.2	193 296	240 000
Payments for capital assets	9	(123 368)	(18 109)
Proceeds from sale of capital assets	3.3	-	681
(Increase)/ decrease in loans	14	(24 000 000)	(32 000 000)
(Increase)/ decrease in investments	13	-	(1 000 000)
(Increase)/decrease in non-current receivables	12	1 344	1 445
Net cash flows from investing activities		**(23 928 728)**	**(32 775 983)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets	14	24 000 164	32 999 377
Net cash flows from financing activities		**24 000 164**	**32 999 377**
Net increase/(decrease)in cash and cash equivalents		(106 021)	44 478
Cash and cash equivalents at beginning of period		332,869	288,391
Cash and cash equivalents at the end of the period	**20**	**226 848**	**332 869**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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's 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).

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 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 Treasury Regulations.

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 amounts 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 TR.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 where the cost cannot be determined reliably. Immovable assets acquired in non-exchange transactions are measured 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 transactions are 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 to forfeit economic benefits as a result of events in the past and 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 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:

- irregular expenditure incurred and confirmed in the previous financial year
- 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 are applied retrospectively or prospectively as guided by specific standard applicable and 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 Programme 7 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

	2024/25			2023/24		
	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	702 408	702 408	-	609 884	609 884	-
2) ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	137 596	137 596	-	138 370	138 370	-
3) PUBLIC FINANCE AND BUDGET MANAGEMENT	4 069 162	4 069 162	-	4 003 767	4 003 767	-
4) ASSET AND LIABILITY MANAGEMENT	145 164	145 164	-	657 653	657 653	-
5) FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	737 255	737 255	-	821 580	821 580	-
6) INTERNATIONAL FINANCIAL RELATIONS	2 526 242	2 526 242	-	2 754 112	2 754 112	-
7) CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	7 365 055	7 365 055	-	6 659 738	6 659 738	-
8) REVENUE ADMINISTRATION	12 388 563	12 388 563	-	13 280 696	13 280 696	-
9) FINANCIAL INTELLIGENCE AND STATE SECURITY	5 265 620	5 265 620	-	5 424 478	5 424 478	-
Total	**33 337 065**	**33 337 065**	**-**	**34 350 278**	**34 350 278**	**-**

2 Statutory Appropriation	Note	2024/25 R'000	2023/24 R'000
LAND BANK		-	502 000
PROVINCIAL EQUITABLE SHARE		600 475 640	585 085 919
GENERAL FUEL LEVY SHARING WITH METROPOLITAN MUNICIPALITIES		16 126 608	15 433 498
AUDITOR-GENERAL OF SOUTH AFRICA		128 578	123 052
ESKOM		64 000 000	76 000 000
GFECRA		100 000 000	-
		-	-
		780 730 826	**677 144 469**
		-	-
Actual Statutory Appropriation received		780 730 826	677 144 469
Statutory Appropriation not requested / not received		-	-

National Treasury decided to reduce the allocations of R78 billion in 2023/24 and R66 billion in 2024/25 by R2 billion in each year, and this has been captured in the Budget Review specifically under Chapter 8 on Eskom. This was as a result of potential failure by Eskom to dispose of the Eskom Finance Company by the agreed timeframe of 31 March 2024.
An amount of R100 billion, credited to the National Revenue Fund from the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) in 2024/25, following an agreement between the National Treasury and the South African Reserve Bank, as envisaged in section 28(2)(b) of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), is a direct charge for 2024/25 against the National Revenue Fund for the contingency reserve requirements of the South African Reserve Bank and must be attributed to the vote of National Treasury.

		Note	2024/25 R'000	2023/24 R'000
3	**Departmental Revenue**			
	Sales of goods and services other than capital assets	3.1	353 859	4 107
	Interest, dividends and rent on land	3.2	10 123 653	12 620 660
	Sales of capital assets	3.3	-	681
	Transactions in financial assets and liabilities	3.4	200 021 090	60 998
	Total revenue collected	17	**210 498 602**	**12 686 446**
	Less: Own revenue included in appropriation		100 000 000	-
	Departmental revenue collected		**110 498 602**	**12 686 446**

In the current financial year, the National Treasury received R200 billion from the South African Reserve Bank (SARB) Gold and Foreign Exchange Contingency Reserve Account (GFECRA). Additionally, the National Treasury contributed R100 billion to the SARB Contingency Reserve Account.

The R100 billion reflected as "own revenue included in appropriation" pertains to the establishment of the SARB Contingency Reserve. This amount was paid by the National Treasury to SARB under the Amended Defrayal Act for the creation of the contingency reserve. As outlined in the agreement under subsection (1), this payment represents a direct charge against the National Revenue Fund for the contingency reserve requirements of SARB and is attributed to the vote of National Treasury.

		2024/25	2023/24
	Note	R'000	R'000
3.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department	3.0	353 790	4 097
Sales by market establishment		67	72
Administrative fees		1	1
Other sales		353 722	4 024
Sales of scrap, waste and other used current goods		69	10
Total		**353 859**	**4 107**

The increase in Sales of goods and services other than capital assets – Other sales is primarily on fees for government guarantees insurance received from **SANRAL (R353.5 million).** The remaining balance relates to the proceeds from the replacement of lost office property and the services rendered for: Commission insurance and Garnishees.

		2024/25	2023/24
	Note	R'000	R'000
3.2 Interest, dividends and rent on land	3.0		
Interest		9 930,357	12 380 660
Dividends		193 296	240 000
Total		**10 123 653**	**12 620 660**

Interest, dividends and rent on land decreased from R12.6 billion in 2023/24 to R10.1 billion in 2024/25. The decrease is mainly attributed to a R2.9 billion reduction in earnings from foreign currency deposit accounts, which serve as short-term holding accounts for proceeds from newly issued foreign loans and accrue interest until the funds are utilized

		Note	2024/25 R'000	2023/24 R'000
3.3	**Sales of capital assets**	3.0		
	Tangible capital assets		**-**	**681**
	Machinery and equipment		-	681
	Total		**-**	**681**

		Note	2024/25 R'000	2023/24 R'000
3.4	**Transactions in financial assets and liabilities**	3.0		
	Receivables		9 056	8 604
	Other Receipts including Recoverable Revenue		200 012 034	52 394
	Total		**200 021 090**	**60 998**

In the current year Government received R200 billion from the SARB GFECRA account and contributed R100 billion to the SARB Contingency Reserve Account

		Note	2024/25 R'000	2023/24 R'000
3.5	**Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)**			
	(Treasury Regulation 21.2.4)			
	Gifts		12	162
	Sponsorships		23 976	48
	Total		**23 988**	**210**

The increase of R24 million on sponsorships is mainly attributable to R17.1 million relating to the hosting of G20 summit in South Africa and the R6.9 million relates to 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) – 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**	**-**

3.7 Cash received not recognised (not included in the main note) – 2023/24

Name of entity	Amount received	Amount paid to Revenue Fund	Balance
	R'000	R'000	R'000
Funds surrendered by Municipalities	293 119	293 119	-
Total	**293 119**	**293 119**	**-**

Surrender from Municipalities (Unspent Grants)- A significant decrease from R293.1 million (2023/24) to R39.7 million (2024/25) was noted and this was due to the surrender from Amathole Municipality in 2023/24 on unspent funds. In the current financial year, the municipalities have improved on spending hence the reduction on funds to surrender.

		2024/25	2023/24
		R'000	R'000
4	**Aid Assistance**		
	Opening Balance	17 265	6 978
	As restated	17 265	6 978
	Transferred from statement of financial performance	27 782	17 255
	Paid during the year		
		(17 265)	(7 268)
	Closing Balance	**27 782**	**17 265**

Aid assistance relates to funds received from various donors (refer to annexure 1I). The closing balance of R27.8 million is payable to the reconstruction and development programme fund (RDP fund) and subsequently form part of the opening balances in 2025/26. The R27.8 million is largely from unspent funds on European union donor fund called General Budget Support allocated for Infrastructure Delivery Management Systems (IDMS).

		Note	R'000	R'000
4.1	**Analysis of balance by source**	4,0		
	Aid assistance from RDP		27 782	17 265
	Closing Balance		**27 782**	**17 265**

			2024/25	2023/24
		Note	R'000	R'000
4.2	**Analysis of balance**			
	Aid Assistance receivable			
	Aid assistance repayable		27 782	17 265
	Closing balance	4.0	**27 782**	**17 265**

The current year revenue amounted to R69.4 million with the expenditure incurred amounting to R41.6 million resulting in an aid assistance closing balance of R27.8 million largely on European union donor fund called General Budget Support allocated for Infrastructure Delivery Management Systems (IDMS).

4.2.1 Aid assistance prepayments (expensed) – 2024/25

	Amount as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Goods and services	17 265	(17 265)		
Closing balance	**17 265**	**(17 265)**		

Aid assistance prepayments (expensed) – 2023/24

	Amount as at 1 April 2023	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Goods and services	6 978	159 466	(149 179)	-	17 265
Closing balance	**6 978**	**159 466**	**(149 179)**	**-**	**17 265**

	Note	2024/25	2023/24
		R'000	R'000
4.3 Aid assistance expenditure per economic classification			
Current		41 608	141 911
Total aid assistance expenditure		**41 608**	**141 911**

Aid assistance expenditure decreased from R141.9 million in 2023/24 to R41.6 million in 2024/25. The decrease of R100 million relates to the Municipal project which was received and spent in 2023/24 as a one-off project.

		Note	2024/25 R'000	2023/24 R'000
5	**Compensation of Employees**			
5.1	**Salaries and wages**			
	Basic salary		674 048	631 146
	Performance award		421	276
	Service Based		793	880
	Compensative/circumstantial		8 553	5 369
	Other non-pensionable allowances		182 177	169 447
	Total		**865 992**	**807 118**

The increase is primarily due to cost-of-living adjustments and filling of vacant positions in 2024/25.

		Note	2024/25 R'000	2023/24 R'000
5.2	**Social Contributions**			
	Employer contributions			
	Pension		82 674	78 192
	Medical		21 791	20 136
	Bargaining council		133	125
	Total		**104 598**	**98 453**
	Total compensation of employees		**970 590**	**905 571**
	Average number of employees		1 068	1 055

	2024/25	2023/24

		Note	R'000	R'000
6	**Goods and services**			
	Administrative fees		2 783	1 799
	Advertising		648	211
	Minor assets	6.1	440	54
	Bursaries (employees)		5 976	4 979
	Catering		1 039	671
	Communication		10 729	10 352
	Computer services	6.2	437 780	362 673
	Consultants: Business and advisory services		438 773	681 391
	Legal services		16 765	21 121
	Contractors		18 680	17 183
	Agency and support / outsourced services		8 148	7 516
	Entertainment		58	42
	Audit cost – external	6.3	18 992	20 554
	Fleet services		4 412	4 362
	Inventory	6.5	499 982	
	Consumables	6.4	8 380	8 197
	Operating leases		92 432	85 677
	Property payments	6.6	23 778	24 129
	Travel and subsistence	6.7	50 566	43 493
	Venues and facilities		9 002	1 804
	Training and development		9 773	4 724
	Other operating expenditure	6.8	5 745	8 155
	Total		**1,664 881**	**1 309 087**

The increase on G&S expenditure is primarily on:
Inventory: The increase is primarily due to expenditure incurred on Inventory relating to the **Smart Meters project.**
Consultants: Business and advisory Services: The expenditure is largely attributed to Programme 3 and Programme 5 for Consultancy related services on the various projects such as CSP, IDIP, MFIP, MFRS, MRMIP, 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 240 Madiba, 40 Church and SITA Buildings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2024/25 R'000	2023/24 R'000
6.1 Minor assets	6	**440**	**54**
Tangible capital assets			
Machinery and equipment		440	54
Total		**440**	**54**

	Note	2024/25 R'000	2023/24 R'000
6.2 Computer services	6		
SITA computer services		37 485	39 785
External computer service providers		400 295	322 888
Total		**437 780**	**362 673**

	Note	2024/25 R'000	2023/24 R'000
6.3 Audit cost – external	6		
Regularity audits		18 992	20 554
Total		**18 992**	**20 554**

		Note	2024/25 R'000	2023/24 R'000
6.4	**Consumables**	6		
	Consumable supplies		3 001	2 013
	Uniform and clothing		115	46
	Household supplies		1 138	1 224
	Building material and supplies		467	32
	Communication accessories		4	5
	IT consumables		740	589
	Other consumables		537	117
	Stationery, printing and office supplies		5 379	6 184
	Total		**8 380**	**8 197**

		Note	2024/25 R'000	2023/24 R'000
6.5	**Inventories**	6		
	Materials and supplies		499 982	-
	Total		**499 982**	**-**

During the year, the National Treasury awarded a contract under RT29-2024 to various service providers for the supply, delivery and installation of smart metering solutions across municipalities nationwide. The contract included not only the procurement of physical hardware and devices but also the development and implementation of necessary software to ensure that the smart metering systems are fully operational and ready for use.

All procured items were successfully distributed and installed to the respective municipalities. This distribution encompassed both the physical smart metering devices and the associated software components that enable effective usage. The costs associated with the procurement, delivery, installation and readiness of the software for operational use have been included in the total cost recognised under this contract.

The implementation of this smart metering solution is expected to enhance the efficiency and accuracy of utility billing across the municipalities, improving service delivery and facilitating better resource management.

		Note	2024/25 R'000	2023/24 R'000
6.6	**Property payments**	6		
	Municipal services		20 936	20 962
	Property management fees		2 507	2 860
	Other (Fumigations)		335	307
	Total		**23 778**	**24 129**

		Note	2024/25 R'000	2023/24 R'000
6.7	**Travel and subsistence**	6		
	Local		26 820	16 627
	Foreign		23 746	26 866
	Total		**50 566**	**43 493**

The increase is largely attributable to the stakeholder engagement for the G20 and the 2025 Budget Speech.

		Note	2024/25 R'000	2023/24 R'000
6.8	**Other operating expenditure**	6		
	Professional bodies, membership and subscription fees		3 829	4 278
	Resettlement costs		255	1 773
	Other (printing publication, licence and disc renewals, courier services)		1 661	2 104
	Total		**5 745**	**8 155**

		Note	2024/25 R'000	2023/24 R'000
7	**Payments for financial assets**			
	Purchase of equity			1 000 000
	Extension of loans for policy purposes		816 900	950 841
	Debts written off	7.1	290	725
	Total		**817 190**	**1 951 566**

The decrease is mainly attributed to the Land Bank that is not appropriated in 2024/25 compared to the amount of R1 billion that was appropriated in 2023/24 that was utilised for their blended finance programme and liability solution.

The extension of loans for policy purposes relates to the subscription of shares in the African Development Bank on behalf of South Africa.

		Note	2024/25 R'000	2023/24 R'000
7.1	**Debts written off**			
	Nature of debts written off			
	Damages and Losses		290	725
	Total		290	725
	Total debt written off		**290**	**725**

		Note	2024/25 R'000	2023/24 R'000
8	**Transfers and Subsidies**			
	Provinces and municipalities	ANNEXURE 1A	619 026 228	602 904 007
	Departmental agencies and accounts	ANNEXURE 1B	17 997 635	19 619 276
	Foreign governments and international organisations	ANNEXURE 1E	1 441 832	1 707 683
	Public corporations and private enterprises	ANNEXURE 1D	100 000 000	198 773
	Households	ANNEXURE 1G	7 310 414	6 603 311
	Total		**745 776 109**	**631 033 050**

The increase is primarily due to the GFECRA allocation of R100 billion transferred to the SARB.

		Note	2024/25 R'000	2023/24 R'000
9	**Expenditure for capital assets**			
	Tangible capital assets		**122 921**	**18 109**
	Machinery and equipment		122 921	18 109
	Intangible capital assets		**-**	**-**
	Software		447	-
	Total		**123 368**	**18 109**

The increase in capital expenditure is primarily attributable to the procurement of Network and Infrastructure hardware.

9.1 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**

9.2 Analysis of funds utilised to acquire capital assets – 2023/24 - -

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible capital assets	**18 109**	**-**	**18 109**
Machinery and equipment	18 109	-	**18 109**
Total	**18 109**	**-**	**18 109**

	2024/25	2023/24
9.3 Finance lease expenditure included in Expenditure for capital assets	R'000	R'000
Tangible capital assets		
Machinery and equipment	511	689
Total	**511**	**689**

		Note	2024/25 R'000	2023/24 R'000
10	**Cash and Cash Equivalents**			
	Consolidated Paymaster General Account		222 512	190 256
	Cash on hand		23	23
	Investments (Domestic)		4 313	142 590
	Total		**226 848**	**332 869**

The decrease relates to the Public Investment Corporation (PIC) dividends which were received on the last day of 2023/24, PIC disbursed R141 million, which couldn't be transferred to National Revenue Fund (NRF). The 2024/25 dividends were received on time and paid over to the NRF, hence a decrease.

			2024/25 R'000	2023/24 R'000
11	**Prepayments and Advances**			
	Travel and subsistence		393	217
	Prepayments (Not expensed)	11.2	39 281	18 635
	Advances paid (Not expensed)	11.1	499 828	102 598
	Total		**539 502**	**121 450**
	Analysis of Total Prepayments and advances			
	Current Prepayments and advances		520 867	103 294
	Non-current Prepayments and advances		18 635	18 156
	Total		**539 502**	**121 450**

11.1 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		-	(83 855)		493 509	409 654
Provincial departments		-	(64 394)		85 150	20 756
Public entities		102 598	(102 598)		22 104	22 104
Other institutions		-	-		47 314	47 314
Total		**102 598**	**(250 847)**	**-**	**648 077**	**499 828**

As at 31 March 2025 the department reports a closing balance of R499.8 million on advances made to the entities listed below:

Cities Support Programme – R13 million

This is the advance from NT to DBSA. The remaining balance relates to service providers that were procured in prior years and are actively working on projects for the CSP3. The service providers provide a wide range of services to the CSP3, notably technical support to municipalities around land development, long term financial strategies, the funding of the CSP3 core team, providing overall support and guidance to metros in the urban sphere and the furthering of the metro trading services reform of the National Treasury.

Jobs Fund – R297.1 million

The funds have been earmarked and committed for disbursement to Jobs Fund partners.

MFIP – R94.4 million

The funds are committed to supporting the rollout of the Municipal Finance Improvement Programme (MFIP), implemented by GTAC on behalf of the Office of the Accountant-General at National Treasury.

NDP – R18.1 million

The funds have been earmarked and committed for payments to service providers contracted by municipalities, on behalf of the Neighbourhood Development Programme (NDP) within National Treasury.

GPAA – R22.1 million

The advance received from National Treasury is for payments of benefits to members of the non-contributory funds (Injury on Duty, Military Pensions, Special Pensions and Other Benefits) on behalf of National treasury. A legal obligation is derived from various legislative documents and GPAA, as an administration agency is mandated to administer and pay the benefits to qualifying members.

DBSA IF – R47.4 million

The IF's underutilisation of 2024/25 advances is mainly due to underspending on advisory, recruitment, and office/IT costs. Advisory costs were lower than expected due to early pipeline delays and sponsor-related challenges. Recruitment delays led to temporary underspending, which will normalise as positions are filled. Office and IT expenditures were postponed due to DBSA invoicing delays, with costs to be settled once billing is finalised.

IDMS – R7.7 million

The amount is committed to active contracts at DBSA.

Advances paid (Not expensed)

	Note	Balance as at 1 April 2023	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year advances	Balance as at 31 March 2024
	11	R'000	R'000	R'000	R'000	R'000
National departments		334	(334)		-	-
Public entities		99 118	(99 118)		102 598	102 598
Total		**99 452**	**(99 452)**	**-**	**102 598**	**102 598**

11.2 Prepayments (Not expensed)

	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
	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**

	Note	Balance as at 1 April 2023	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year prepayments	Balance as at 31 March 2024
Prepayments (Not expensed)	*11*	R'000	R'000	R'000	R'000	R'000
Listed by economic classification						
Goods and services		15 526	-	-	-	15 526
Other		2 630	-	-	479	3 109
Total		**18 156**	**-**	**-**	**479**	**18 635**

11.3 Advances paid (Expensed) ("advances expensed" not permitted from 1 April 2024)

	Balance as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31March 2025
	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	739 721	47 594	(103 641)	683 674
Total	**1 326 270**	**47 594**	**(683 307)**	**690 557**

	Balance as at 1 April 2023	Less: Received in the current year	Add/Less: Other	Add: Current Year advances	Amount as at 31 March 2024
Advances paid (Expensed)	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
National departments	768 987	44 017	(1 037 294)	784 774	560 484
Provincial departments	14 010	2 766	(108 261)	108 731	17 246
Public entities	10 167	-	(1 348)	-	8 819
Other institutions	556 144	57 509	(72 705)	198 773	739 721
Total	**1 349 308**	**104 292**	**(1 219 608)**	**1 092 278**	**1 326 270**

The was a prior period error relating to the IDMS Advances expenditure. The IDMS expenditure incurred in 2023/24 was understated by **R7 million** by an error, which then affected the closing balance. The expenditure of R108.3 million on Provincial Department on Note 37 was understated by R7 million in the previous financial year.

		2024/25			2023/24		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
12 Receivables							
Claims recoverable	12.1	5 425	2 167	7 592	5 332	2 168	7 500
Recoverable expenditure	12.2	4 124	15 945	20 069	2 373	17 218	19 591
Staff debt	12.3	162	746	908	90	770	860
Other receivables	12.4	3 001	297	3 298	2 790	343	3 133
Total		**12 712**	**19 155**	**31 887**	**10 585**	**20 499**	**31 084**

			2024/25	2023/24
		Note	R'000	R'000
12.1 Claims recoverable		12		
National departments			6 257	6 144
Provincial departments			-	21
Foreign governments			1 335	1 335
Total			**7 592**	**7 500**

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FOR THE YEAR ENDED 31 MARCH 2025

			2024/25	2023/24
		Note	R'000	R'000
12.2	**Recoverable expenditure**	12		
	(Group major categories, but list material items)			
	Damages and Losses		1 828	1 891
	Disallowance Miscellaneous		`1 881	319
	Outstanding debts - Civil and military pensions		36	32
	Disallowance - Civil and military pensions		5 239	5 612
	Disallowance - Special pensions		11 085	11 737
	Total		**20 069**	**19 591**

			2024/25	2023/24
		Note	R'000	R'000
12.3	**Staff debt**	12		
	(Group major categories, but list material items)			
	Departmental Debts		908	860
	Total		**908**	**860**

			2024/25	2023/24
		Note	R'000	R'000
12.4	**Other receivables**	12		
	Value Added Tax (SARS)		405	839
	Other Debtors		2 893	2 294
	Total		**3 298**	**3 133**

			2024/25	2023/24
		Note	R'000	R'000
12.5	**Impairment of receivables**	12		
	Estimate of impairment of receivables		10 904	10 947
	Total		**10 904**	**10 947**

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The impairment of receivables refers to the estimates or amounts by which the receivables have impaired.

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 as a result 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.

			2024/25	2023/24
		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**

		2024/25	2023/24
	Note	R'000	R'000
Analysis of non-current investments			
Opening balance		36 597 656	35 597 656
Additions in cash			1 000 000
Closing balance		**36 597 656**	**36 597 656**

			2024/25	2023/24
		Note	R'000	R'000
13.1	**Impairment of investments**			
	Estimate of impairment of investments		14 397 655	14 397 656
	Total		**14 397 655**	**14 397 656**

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The NT holds controlling interest in DBSA, Land Bank, PIC and SASRIA, SOE listed in schedule 2 of the PFMA.
The impairments are estimates based on projected cash flows obtained in the SOE's corporate plan. No extensive adjustment to the projected 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.

The total cost of investment in the Land Bank has been impaired wholly, as the future economic benefit of these investment is reflected at negative asset value. The total impairment for the current financial year amounts to R14.4 billion which is in respect of Land Bank. Assessment for impairment in SASRIA, PIC and DBSA presented a positive value which means the investment is not impaired in the current financial year.

The PIC investment was impaired at R1 in 2024, while 2025 shows a revaluation largely due to the PIC's costs, which continue to shrink the quantum of profits. In the past two financial years (2023 and 2024) the PIC breached either one or two financial KPI's due to higher costs than budget. The implementation of the new structure will have a material impact on the cost structure and the PIC's ability to meet compacted financial metrics.

			2024/25	2023/24
		Note	R'000	R'000
14	**Loans**			
	Public corporations		56 000 000	32 000 000
	Total		**56 000 000**	**32 000 000**

		2024/25	2023/24
	Note	R'000	R'000
	Analysis of Balance		
	Opening balance	32 000 000	-
	New Issues	64 000 000	76 000 000
	Write-offs	(40 000 000)	(44 000 000)
	Closing balance	**56 000 000**	**32 000 000**

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In accordance with the debt relief agreement with Eskom, the transfers made to Eskom will be converted into government equity over time. In the year under review, the National Treasury appropriated R64 billion for Eskom Debt Relief, this is reported as "New Issues". The "Write-offs" of R40 billion represent the amount converted to equity after being assessed for compliance to the conditions of the debt-relief agreement. The remaining balance of R56 billion is the loan not yet converted into equity by 31 March 2025.

There is an increase of R24 billion on Eskom Debt relief balances (R56 billion – 2024/25; R32 billion -2023/24). This amount is presented on the Statement of Changes in Net Assets as "Other Movements".

			2024/25	2023/24
		Note	R'000	R'000
15	**Voted Funds to be surrendered to the Revenue Fund**			
	Opening balance		275 227	1 366 257
	As restated		275 227	1 346 257
	Transfer from statement of financial performance (as restated)		715 753	275 227
	Paid during the year		(275 227)	(1 346 257)
	Closing balance		**715 753**	**275 227**

The Voted funds to be surrendered to NRF totals to **R715.8 million**, however this figure is split into two on POS as **R238 million**, which is an underspending for the department and will be surrendered to NRF, and **R477.7 million**, which is an advance payment made to entities and therefore does not constitute an underspending as the funds are already disbursed to the entities account. The reason the **R477.7 million** is reflected under liabilities is because the funds are with the entities and will therefore not be surrendered to NRF. The liability will be cleared as the entities utilise the funds.

			2024/25	2023/24
		Note	R'000	R'000
16	**Statutory Appropriation to be surrendered to the Revenue Fund**			
			2 137	(965 130)
			2 137	(965 130
	Opening balance		64 000 000	76 002 137
	As restated			
	Transfer from Statement of Financial Performance (as restated)		(2 137)	965 130
	Paid during the year		(64 000 000)	(76 000 000)
	Transferred to capitalisation reserve		-	**2 137**
	Closing balance			

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FOR THE YEAR ENDED 31 MARCH 2025

		Note	2024/25	2023/24
		Note	R'000	R'000
17	**Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**			
	Opening balance		148 860	9 408
	As restated		148 860	9 408
	Transfer from Statement of Financial Performance (as restated)			
	Own revenue included in appropriation		110 498 602	12 686 446
	Paid during the year		100 000 000	-
	Closing balance		(210 638 738)	(12 546 994)
			8 724	**148 860**

In the current financial year, the National Treasury received R200 billion from the South African Reserve Bank (SARB) Gold and Foreign Exchange Contingency Reserve Account (GFECRA).

The R100 billion reflected as "own revenue included in appropriation" pertains to the establishment of the SARB Contingency Reserve. This amount was paid by the National Treasury to SARB under the Amended Defrayal Act for the creation of the contingency reserve. As outlined in the agreement, this payment represents a direct charge against the National Revenue Fund for the contingency reserve requirements of SARB and is attributed to the vote of National Treasury. The R100 billion was transferred to SARB and it is reflecting as part of Statutory revenue and transfer and subsidies on the Statement of Financial Performance (PER).

In relation to departmental receipts, interest, dividends, and rent on land decreased from R12.7 billion in 2023/24 to R10.5 billion in 2024/25. The decrease is mainly attributed to a R2.2 billion reduction in earnings from foreign currency deposit accounts, which serve as short-term holding accounts for proceeds from newly issued foreign loans and accrued interest until the funds are utilised.

			2024/25	2023/24
		Note	R'000	R'000
18	**Payables – current**			
	Advances received	18.1	14 074	11 123
	Clearing accounts	18.2	453	404
	Other payables	18.3	30 698	29 818
	Total		**45 225**	**41 345**

			2024/25	2023/24
		Note	R'000	R'000
18.1	**Advances received**	18		
	National departments	Annex 8B	-	-
	Public entities (FASSET, TETA, PSETA)	Annex 8B	14 074	11 123
	Other institutions	Annex 8B	-	-
	Total		**14 074**	**11 123**

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			2024/25	2023/24
		Note	R'000	R'000
18.2	**Clearing accounts**	18		
	(Identify major categories, but list material amounts)			
	Income Tax (PAYE)		156	230
	Bargaining Council		1	-
	VAT Input		296	174
	Reversal Account			-
	Pension Fund			
	Government Employee Housing Scheme			
	Total		**453**	**404**

			2024/25	2023/24
		Note	R'000	R'000
18.3	**Other payables**			
	(Identify major categories, but list material amounts)			
	Civil and Military Pensions		17 495	18 237
	Special Pensions		13 203	11 581
	Total		**30 698**	**29 818**

			2024/25	2023/24
		Note	R'000	R'000
19	**Net cash flow available from operating activities**			
	Net surplus/(deficit) as per Statement of Financial Performance		175 242 137	88 981 365
	Add back non-cash/cash movements not deemed operating activities			
	(Increase)/decrease in receivables		(175 419 594)	(89 160 281)
	(Increase)/decrease in prepayments and advances			
	Increase/(decrease) in payables – current		(2 127)	(862)
	Proceeds from sale of capital assets		(418 052)	(3 816)
	Proceeds from sale of investments		3 880	2 357
			-	(681)
	Expenditure on capital assets		(193 296)	(240 000)
	Surrenders to Revenue Fund		123 368	18 109
	Transferred to Capitalisation reserve		(210 916 102)	(12 928 120)
	Surrenders to RDP Fund/Donor		(64 000 000)	(76 000 000)
			(17 265)	(7 268)
	Voted funds not requested/not received		-	
	Statutory Appropriation not requested/not received		-	
	Own revenue included in appropriation		100 000 000	
	Net cash flow generated by operating activities		**-177 457**	**-178 916**

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			2024/25	2023/24
		Note	R'000	R'000
20	**Reconciliation of cash and cash equivalents for cash flow purposes**			
	Consolidated Paymaster General account		222 512	190 256
	Cash on hand		23	23
	Cash with commercial banks (Local)		4 313	142 590
	Total		**226 848**	**332 869**

			2024/25	2023/24
		Note	R'000	R'000
21	**Contingent liabilities and contingent assets**			
21.1	**Contingent liabilities**			
	Liable to Nature			
	Other guarantees	Annex 3A	11 132 761	13 217 759
	Claims against the department	Annex 3B	514 998	145 273
	Other	Annex 3B	511 612	488 722
	Total		**12 159 371**	**13 851 754**

Other guarantees relate to guarantees issues to Public Entities that report to the Minister of Finance such as Development Bank of Southern Africa (DBSA) and the Land and Agricultural Development Bank of South Africa. Any payment under a guarantee will be a direct charge against the National Revenue fund via the Department. The decrease on other guarantees is due to more calls on guarantees.

Claims against the Department amounting to R513.9 million represent the amounts of litigation against the Department and claims for expenditure that was not substantiated. The amount and timing of any outflow is uncertain and will depend whether legal action against the Department succeeds or whether amounts claimed can be substantiated. The increase is mainly due to more claims in the ICT Works case, where the initial claim of R79.8 million was made up of claim for payment for software licenses and maintenance services (R63.4 million) and damages as a result of defendant's repudiation of various agreements R16.4 million) and the increase in the 2024/25 due to more claims totalling R 448.5 million is made up of:

1. A claim for payment of the sum of R191.7 million for license and maintenance fees in terms of the licence agreement
2. A claim for payment of the sum of R240.3 million 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
3. A claim for the payment of the total sum of R16.4 million for alleged services in terms of the 2008 service agreement, alternatively 2016 service agreement.

Other claims from GPAA relate to Military Pension, Injury on duty, Special Pension and Medical Benefits (Annexure 3B).

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FOR THE YEAR ENDED 31 MARCH 2025

				2024/25	2023/24
				R'000	R'000
22	**Accruals and payables not recognised**				
22.1	**Accruals**				
	Listed by economic classification	**30 days**	**30+ days**	**Total**	**Total**
	Goods and services	77 784	12 994	90 778	89 537
	Transfers and subsidies	117	12	129	289
	Capital assets				-
	Other	11 344	68	11 412	8 565
	Total	**89 245**	**13 074**	**102 319**	**98 391**

		2024/25	2023/24
	Listed by programme level	***Note*** **R'000**	
	Administration	15 692	15 211
	Economic Policy, Tax, Financial regulation and Research	955	324
	Public Finance and Budget Management		
	Asset and Liability Management	1 720	3 492
	Financial Systems and Accounting	722	798
	International Financial Relations	21 947	33 877
	Civil and Military Pensions, Contributions to Funds and Other Benefits	1 218	847
	Government Technical Advisory Centre – MFIP	48 653	35 277
		11 412	8 565
	Total	**102 319**	**98 391**

			2024/25	2023/24
		Note	**R'000**	**R'000**
23	**Employee benefits**			
	Leave entitlement		51 097	49 441
	Service bonus		19 195	18 194
	Capped leave		5 468	5 608
	Total		**75 760**	**73 243**

24 Lease commitments

24.1 Operating leases

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 5 years	-	-	-	-	-
Total lease commitments	**-**	**-**	**34 610**	**11 110**	**45 720**

2023/24	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	-	-	90 579	1 863	92 442
Later than 1 year and not later than 5 years	-	-	258 954	2 007	260 961
Later than five years	-	-	-	-	-
Total lease commitments	-	**-**	**349 533**	**3 870**	**353 403**

24.2 Finance leases **

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**

2023/24	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	-	-	-	1 217	1 217
Later than 1 year and not later than 5 years	-	-	-	323	323
Total lease commitments	**-**	**-**	**-**	**1 540**	**1 540**

		Note	2024/25 R'000	2023/24 R'000
	Accrued departmental revenue			
25	Sales of goods and services other than capital assets		225	-
	Interest, dividends and rent on land		902 174	351 378
	Sale of capital assets			
	Transactions in financial assets and liabilities		50 027 947	70
	Total		**50 930 346**	**351 448**

The accrued interest increased from R351.4 million in 2023/24 to R902.2 million in 2024/25. This increase is largely attributable to the interest accrued on tax and loan accounts from commercial banks and on Eskom debt relief.
The R50 billion increase relates to the GFECRA revenue expected to be received from the SARB in 2025/26.

		Note	R'000	R'000
25.1	**Analysis of accrued departmental revenue**			
	Opening balance		351 448	1 702 935
	Less: Amounts received		351 448	1 702 935
	Add: Amounts recorded		50 930 346	351 448
	Closing balance		**50 930 346**	**351 448**

		Note	2024/25 R'000	2023/24 R'000
26	**Unauthorised, Irregular and Fruitless and wasteful expenditure**			
	Irregular expenditure		36	5 141
	Total		**36**	**5 141**

The irregular expenditure for 2023/24 was mainly due to payments made for goods and services without a valid contract in place with UU Technologies as the main contributor.
The irregular expenditure disclosed in the current financial year relates to a multi-year contract that was identified and confirmed as irregular in the previous financial year.
The UU Technologies contract, where the irregular expenditure reported for 2023/24 incorrectly included an amount of **R5.6 million** associated with a new contract entered on 1 July 2023, which does not meet the definition of irregular expenditure. The prior period error was raised on Note 37.

		2024/25 R'000	2023/24 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)		
	The Co-Operative Banks Development Agency (CBDA)		
	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	3 319
	GTAC – Office space and professional services (provided)	38 729	30 043
	Total	**43 059**	**33 362**

The increase in GTAC is attributed to the increase within ICT services, notably the procurement of infrastructure software licences provided as service in kind to GTAC.

		2024/25	2023/24
		R'000	R'000
28	**Key management personnel**		
	Political office bearers (provide detail below)		
	Officials:	6 523	4 781
	Level 15 to 16	35 965	30 681
	Level 14 (incl CFO if at a lower level)	93 323	90 732
	Total	**135 811**	**126 194**

The increase is primarily due to the expenditure incurred on the second Deputy Minister of Finance, which was not part of the establishment in 2023/24.

		Note	2024/25 R'000	2023/24 R'000
29	**Impairment (Other than receivables, accrued departmental revenue, loans and investments)**			
	Debtors Possible Write-offs		170	160
	Other Material Losses - GPAA		42 688	42 812
	Total		**42 858**	**42 972**

The significant impairment is on Special Pensions. Some of the benefit payments were paid to beneficiaries who were granted pension due to errors by the Special Pension board following the misinterpretation of the Special Pensions Act, 69 of 1996 as amended. A decision was then made to pay the beneficiaries that fall under this category and write off the cost incurred on an annual basis.

		Note	2024/25 R'000	2023/24 R'000
30	**Provisions**			
	SA Smith – claim		14	14
	Injury on Duty		236 913	231 195
	Military Pension		7 849	8 374
	Military Medical		5 096	2 147
	Special Pension		53 284	42 062
	Medical Benefits		9 429	13 131
	Total		**312 585**	**296 923**

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 – 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**

Reconciliation of movement in provisions – 2023/24

	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	42 715	210 285	7 628	7 449	268 077
Increase in provision	48 260	149 514	1503	92 760	292 037
Settlement of provision	(23 698)	(107 289)	(249)	(87 064)	(218 300)
Unused amount reversed	(23 068)	(21 315)	(508)	-	(44 891)
Closing balance	**44 209**	**231 195**	**8 374**	**13 145**	**296 923**

31 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Value adjustments	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	-	443	499	(6)
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**337 259**	**-**	**122 853**	**22 977**	**437 135**

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	72	1 753

31.1 Movement for 2023/24

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**322 109**	**-**	**18 046**	**2 946**	**337 209**
Transport assets	6 597		1 582	2 079	6 100
Computer equipment	207 757		14 036	844	220 949
Furniture and office equipment	17 930		239	23	18 146
Other machinery and equipment	89 825		2 189	-	92 014
Finance Lease Assets	**316**	**1 876**		**266**	**1 926**
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**322 425**	**1 876**	**18 046**	**3 212**	**339 135**

31.1.1 Prior period error	*Note*	2023/24 R'000
Relating to 2023/24		
Restatement of finance lease due to capitalisation at beginning of the lease term		1 876
Total		**1 876**

32 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**
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**

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:		
Machinery and equipment	1	3

32.1 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	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	-	-	-	33 323	-	33 323
Prior period error	-	-	-	-	-	-
Additions	-	-	-	544	-	54
Disposals	-	-	-	(1 038)	-	(1 038)
TOTAL MINOR CAPITAL ASSETS	**-**	**-**	**-**	**32 339**	**-**	**32 339**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	34	-	34
Number of minor assets at cost		-	-	20 456	-	20 456
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	**20 490**	**-**	**20 490**

32.2 Movable tangible capital 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**

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	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	-	-	-	973	-	973
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**973**	**-**	**973**

33 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance		Additions	Disposals	Closing balance
	R'000		R'000	R'000	R'000
SOFTWARE	138 063		447	-	138 510
TOTAL INTANGIBLE CAPITAL ASSETS	**138 063**		**447**	**-**	**138 510**

Movement for 2023/24

33.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	138 197	-	-	134	138 063
TOTAL INTANGIBLE CAPITAL ASSETS	**138 197**	**-**	**-**	**134**	**138 063**

Intangible capital assets: Capital Work-in-progress

33.2 CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	Note	Opening Balance 1 April 2024	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
Intangible assets		394 241	-	-	394 241
TOTAL		**394 241**	**-**	**-**	**394 241**

	Note	Opening Balance 1 April 2023	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2024
		R'000	R'000	R'000	R'000	R'000
Intangible assets		394 241	-	-	-	394 241
TOTAL		**394 241**	**-**	**-**	**-**	**394 241**

34 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	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 2023/24

34.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	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**

35 Principal-agent arrangements

35.1 Department acting as the principal

	2024/25	2023/24
	R'000	R'000
GPAA	64 168	61 628
GTAC – NDP	438	417
DBSA – CSP	2 933	3 698
GTAC – Jobs Fund	1 406	1 817
DBSA – IDMS	2 326	6 470
DBSA – NTPPF	1 200	
Total	**72 471**	**74 030**

Government Pension Administration Agency (GPAA)

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 department made a transfer payment of **R7 billion** to GPAA in 2024/25 which was appropriated under programme 7 and these funds are reported on the statement of financial performance under Transfer and Subsidies. Furthermore, a breakdown of the household transfer is disclosed separately under Annexure 1G.

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.

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.

The department made an advance payment of **R98.1 million** to GTAC in 2024/25, made up of **R47.4 million** (NDP) and **R50.7 million** (MFIP). Additionally, a transfer payment of **R200 million** was made to GTAC for the Jobs fund (Grant) and there were no advances paid for ECFF.) GTAC discloses the remaining balances at year end as liabilities in its books.

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.

Development Bank of Southern Africa (DBSA)

The department entered 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.

The department pays fees to DBSA for the administration services, which have been disclosed in the principal agent note. Fees were incurred only on the CSP

for 2023/24.

The department made an advance payment of **R75.7 million** to DBSA in 2023/24, made up of **R40 million** (IF), **R20 million** (CSP), and **R15.7 million** (IDMS MBOK). A reconciliation of this amount is disclosed separately in the Advances note (Note 11.3).

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

36 *Changes in Accounting policies*

	Opening Balance before the change 1 April 2023	Adjustment to opening balance	Restated opening Balance after the change 1 April 2023	Adjustment for 2023/24	Restated closing Balance 31 March 2024
1. Nature of change in accounting policy	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Finance lease assets					
Movable Tangible Capital Assets	90 141	1 923	92 064	1 153	93 217
	90 141	**1 923**	**92 064**	**1 153**	**93 217**

Included in the opening balances for 2023/24 is a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively. **R1.2 million** was added to the opening balance of 2023/24 for the capitalisation of the Finance lease.

2. Nature of change in accounting policy

Prepayments and advances

Effective from 1 April 2024 departments can no longer expense prepayments and advances. According to MCS Chapter 4 on Accounting Policies, Estimates and Errors, accounting policies are the specific principles, bases, conventions, rules and practices applied by the department in preparing, presenting and disclosing information in the financial statements. Discontinuing the requirement to expense prepayments and advances changes the basis of preparing, presenting and disclosing prepayments and advances and is thus a change in accounting policy.

Thus, changes affected the disclosure for:

2.1 Aid Assistance Prepayments – Refer to Note 4.2

2.2 Prepayments and Advances – Refer to Note 11

The above changes in accounting policy are implemented prospectively and therefore does not impact on prior period movements/amounts

37 Prior period errors

	2023/24		
Correction of prior period error	**Amount before error correction**	**Prior period error**	**Restated amount**
	R'000	**R'000**	**R'000**
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets)			
Eskom Debt Relief Loan – New Issues, Note 14	32 000 000	44 000 000	76 000 000
Eskom Debt Relief Loan – Write-offs, Note 14	-	(44 000 000)	(44 000 000)
Net effect	**32 000 000**	-	**32 000 000**

The prior year closing balance of R32 billion was incorrectly shown as new issues instead of the appropriated loan amount of R76 billion therefore the write offs for 2023/24 were understated by R44 billion.

Other: (e.g. Unauthorised expenditure, Irregular expenditure, fruitless and wasteful expenditure, etc.)			
Irregular Expenditure – UU Technologies, Note 26	10 757	(5 616)	5 141
Provincial Department – Advances Expenditure, Note 11	(115 261)	7 000	(108 261)
Total	**(104 504)**	**1 384**	**(103 120)**

The first prior period error relates to the UU Technologies contract, where the irregular expenditure reported for 2023/24 incorrectly included an amount of **R5.6 million** associated with a new contract entered on 1 July 2023, which does not meet the definition of irregular expenditure.

The second prior period error relates to the IDMS Advances expenditure. The IDMS expenditure incurred in 2023/24 was understated by **R7 million** by an error, which then affected the closing balance. The expenditure of R108.3 million on Provincial Department on Note 11 was understated by R7 million in the previous financial year.

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38.Non-adjusting events after reporting date

After the reporting date, the Western Cape High Court handed down a court order suspending the implementation of the 0.5 percentage point Value-Added Tax (VAT) increase announced by the Minister of Finance. The suspension remains in effect pending either the passing of legislation by Parliament regulating the VAT rate or a final judicial determination on the constitutionality of the VAT Act.

Furthermore, the court ordered that the Minister of Finance bears 50% of the legal costs incurred by the Democratic Alliance (DA) and the Economic Freedom Fighters (EFF), with the remaining 50% to be paid jointly by the Speaker of the National Assembly and the Chairperson of the National Council of Provinces.

As this event occurred after the reporting period and does not provide evidence of conditions that existed at the reporting date, it is classified as a non-adjusting event. The potential financial implications of this court order will be assessed in future reporting periods as further developments unfold.

The department terminated its lease agreement for the building located at 240 Madiba Street. As a result, all furniture and equipment previously housed in the building have been placed in storage. A decision has been made to dispose of this furniture and equipment, as the department is in the process of securing a new leased building in collaboration with the Department of Public Works and Infrastructure. Sufficient funding has been allocated for the new accommodation over the medium-term expenditure framework period.

As this decision was made after the reporting date and does not relate to the conditions that existed at the reporting date, it is treated as a non-adjusting event.

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	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													
Alfred Duma	2 000	-	-	2 000	2 000	-	-	2 000	2 000	-	100%	-	-
Buffalo City	55 655	-	(18 000)	37 655	37 655	-	-	37 655	37 655	-	100%	30 581	30 581
Bushbuckridge	20 659	-	8 401	29 060	29 060	-	-	29 060	29 060	-	100%	5 000	5 000
City of Ekurhuleni	165 945	-	-	165 945	165 945	-	-	165 945	165 945	-	100%	196 570	196 570
City of Cape Town	160 237	-	-	160 237	160 237	-	-	160 237	160 237	-	100%	235 890	235 890
City of Johannesburg	110 723	-	3 972	114 695	114 695	-	-	114 695	114 695	-	100%	97 099	97,099
City of Matlosana	26 162	-	(15 670)	10 492	10 492	-	-	10 492	10 492	-	100%	21 162	21 162
City of Mbombela	20 000	-	(10 000)	10 000	10 000	-	-	10 000	10 000	-	100%	5 000	5 000
City of Tshwane	112 742	-	4 000	116 742	116 742	-	-	116 742	116 742	-	100%	140 465	140 465
Dawid Kruiper	30 000	-	(10 000)	20 000	20 000	-	-	20 000	20 000	-	100%	6 579	6 579
Drakenstein	30 000	-	(10 000)	20 000	20 000	-	-	20 000	20 000	-	100%	10 000	10 000
Emfuleni	5 000	-	(5 000)	-	-	-	-	-	-	-		-	-
eThekwini	152 635	-	(8 000)	144 635	144 635	-	-	144 635	144 635	-	100%	225 523	225 523
Fetakgomo	-	-	47 718	47 718	47 718	-	-	47 718	47 718	-	100%	20 503	20 503
Ga-Segonyana	1 000	-	23 004	24 004	24 004	-	-	24 004	24 004	-	100%	10 000	10 000
George	5 000	-	-	5 000	5 000	-	-	5 000	5 000	-	100%	5 000	5 000
JB Marks	5 000	-	-	5 000	5 000	-	-	5 000	5 000	-	100%	-	-
Knysna	10 477	-	10 000	20 477	20 477	-	-	20 477	20 477	-	100%	8 397	8 397
Langeberg	1 000	-	(1 000)	-	-	-	-	-	-	-		9 272	9 272

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	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
Lesedi	4 500	-	8 500	13 000	13 000	-	-	13 000	13 000	-	100%	-	-
Mafikeng	2 000	-	(800)	1 200	1 200	-	-	1 200	1 200	-	100%	-	-
Mangaung	42 042	-	(2 000)	40 042	40 042	-	-	40 042	40 042	-	100%	16 908	16 908
Midvaal	10 000	-	-	10 000	10 000	-	-	10 000	10 000	-	100%	8 820	8 820
Mogale City	61 286	-	20 360	81 646	81 646	-	-	81 646	81 646	-	100%	75 357	75 357
Msunduzi	20 000	-	-	20,000	20 000	-	-	20 000	20 000	-	100%	13 100	13 100
Nelson Mandela Bay	17 213	-	-	17 213	17 213	-	-	17 213	17 213	-	100%	29 011	29 011
Newcastle	20 000	-	-	20 000	20 000	-	-	20 000	20 000	-	100%	21 000	21 000
Nyandeni	1 000	-	(400)	600	600	-	-	600	600	-	100%	-	-
Polokwane	44 984	-	-	44 984	44 984	-	-	44 984	44 984	-	100%	22 168	22 168
Rand West City	20 000	-	(2 281)	17 719	17 719	-	-	17 719	17 719	-	100%	5 000	5 000
Ray Nkonyeni	40 000	-	(15 000)	25 000	25 000	-	-	25 000	25 000	-	100%	24 178	24 178
Rustenburg	12 500	-	(1 920)	10 580	10 580	-	-	10 580	10 580	-	100%	5 000	5 000
Thulamela	16 425	-		16 425	16 425	-	-	16 425	16 425	-	100%	25 000	25 000
West Rand District Municipality	64 367	-	(25 884)	38 483	38 483	-	-	38 483	38 483	-	100%	73 429	73 429
Total	**1,290,552**	**-**	**-**	**1 290 552**	**1 290 552**	**-**	**-**	**1 290 552**	**1 290 552**	**-**	**100%**	**1 346 012**	**1 346 012**
Schedule 6B	**94 890**	**-**	**-**	**-**	**94 890**	**-**	**-**	**94 890**	**93 925**	**965**	**99%**	**189 178**	**189 178**
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT													
Buffalo City	11 000	-	-	11 000	11 000	-	-	11 000	6 397	4 603	58%	10 770	10 770
Nelson Mandela Bay	13 800	-	-	13 800	13 800	-	-	13 800	7 504	6 296	54%	13 970	13 970
King Sabata Dalindyebo	6 000	-	-	6 000	6 000	-	-	6 000	4 044	1 956	67%	5 420	5 420
Alfred Nzo	6 500	-	-	6 500	6 500	-	-	6 500	2 737	3 763	42%	5 670	5 670

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	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
City of Johannesburg	6 000	-	500	6 500	6 500	-	-	6 500	5 080	1 420	78%	5 569	5 569
Mangaung	-	-	-	-	-	-	-	-	-	-	-	-	-
eThekwini	25 500	-	-	25 500	25 500	-	-	25 500	22 036	3 464	86%	29 470	29 470
Alfred Duma	4 000	-	-	4 000	4 000	-	-	4 000	3 237	763	81%	4 450	4 450
Thulamela	7 000	-	(1 500)	5 500	5 500	-	-	5 500	5 004	4 96	91%	4 920	4 920
Vhembe	4 800	-	-	4 800	4 800	-	-	4 800	3 884	916	81%	3 500	3 500
Polokwane	8 000	-	-	8 000	8 000	-	-	8 000	5 660	2 340	71%	5 869	5 869
Govan Mbeki	24 400	-	-	24 400	24 400	-	-	24 400	13 883	10 517	57%	23 000	23 000
Gert Sibande	14 500	-	-	14 500	14 500	-	-	14 500	10 226	4 274	71%	12, 607	12 607
John Taolo Gaetsewe	5 000			5 000	5 000			5 000	3 685	1 315	74%	5 000	5 000
Sol Plaatje	4 500			4 500	4 500			4 500	1 171	3 329	26%	5 000	5 000
City of Cape Town	12 000	-	2 000	14 000	14 000	-	-	14 000	9 310	4 690	67%	9 920	9 920
George	6 000	-	-	6 000	6 000	-	-	6 000	3 351	2 649	56%	6 217	6 217
Ehlanzeni District Municipality	3 365	-	-	3 365	3 365	-	-	3 365	1 096	2 269	33%	-	-
Mafikeng	3 000	-	(1 000)	2 000	2 000	-	-	2 000	1 171	829	59%	-	-
Total	**165 365**	**-**	**-**	**165 365**	**165 365**	**-**	**-**	**165 365**	**109 476**	**55 889**	**64%**	**151 352**	**151 352**
PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT													
Buffalo City	15 000	-	-	15 000	15 000	-	-	15 000	15 000	-	100%	12 908	12 908
City of Cape Town	70 000	-	10 000	80 000	80 000	-	-	80 000	80 000	-	100%	68 877	68 877
City of Ekurhuleni	112 126	-	36 000	76 126	76 126	-	-	76 126	76 126	-	100%	107 731	107 731
eThekwini	40 000	-	-	40 000	40 000	-	-	40 000	40 000	-	100%	30 000	30 000
City of Johannesburg	39 234	-	26 000	65 234	65 234	-	-	65 234	65 234	-	100%	35 000	35 000
Mangaung	10 000	-	-	10 000	10 000	-	-	10 000	10 000	-	100%	7 138	7 138

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FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
Nelson Mandela	15 000	-	-	15 000	15 000	-	-	15 000	15 000	-	100%	10 000	10 000
City of Tshwane	84 480	-	-	84 480	84 480	-	-	84 480	84 480	-	100%	47 000	47 000
	-	-	-	-	-	-	-	-	-	-	**100%**		-
Total	**385 840**	**-**	**-**	**385 840**	**385 840**	**-**	**-**	**385 840**	**385 840**	**-**	**100%**	**318 654**	**318 654**
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT													
!Kai !Garib	3 800	-	-	3 800	3 800	-	-	3 800	2 870	930	76%	3 100	3 100
!Kheis	3 000	-	-	3 000	3 000	-	-	3 000	557	2,443	19%	3 100	3 100
AbaQulusi	3 000	-	-	3 000	3 000	-	-	3 000	1 331	1 669	44%	3 000	3 000
Alfred Duma	2 000	-	-	2 000	2 000	-	-	2 000	1 640	360	82%	2 100	2 100
Alfred Nzo District Municipality	1 900	-	-	1 900	1 900	-	-	1 900	979	921	52%	1 950	1 950
Amahlathi	2 200	-	-	2 200	2 200	-	-	2 200	312	1 888	14%	2 200	2 200
Amajuba District Municipality	3 800	-	-	3 800	3 800	-	-	3 800	3 488	312	92%	2 750	2 750
Amathole District Municipality	2 600	-	-	2 600	2 600	-	-	2 600	1 050	1 550	40%	1 250	1 250
Ba-Phalaborwa	3 000	-	-	3 000	3 000	-	-	3 000	1 457	1 543	49%	3 100	3 100
Beaufort West	2 000	-	-	2 000	2 000	-	-	2 000	1 341	659	67%	2 185	2 185
Bela-Bela	1 800	-	-	1 800	1 800	-	-	1 800	1 449	351	81%	1 700	1 700
Bergrivier	1 700	-	-	1 700	1 700	-	-	1 700	597	1 103	35%	1 550	1 550
Big Five Hlabisa	2 700	-	-	2 700	2 700	-	-	2 700	1 159	1 541	43%	2 750	2 750
Bitou	1 800	-	-	1 800	1 800	-	-	1 800	213	1 587	12%	1 771	1 771
Blouberg	2 400	-	-	2 400	2 400	-	-	2 400	977	1 423	41%	2 400	2 400
Blue Crane Route	2 400	-	-	2 400	2 400	-	-	2 400	1 559	841	65%	2 450	2 450
Bojanala Platinum District Municipality	1 800	-	-	1 800	1 800	-	-	1 800	1 167	633	65%	1 850	1 850

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
Breede Valley	1 600	-	-	1 600	1 600	-	-	1 600	1 010	590	63%	1 550	1 550
Buffalo City	1 000	-	-	1 000	1 000	-	-	1 000	768	232	77%	1 000	1 000
Bushbuckridge	2 600	-	-	2 600	2 600	-	-	2 600	320	2 280	12%	2 650	2 650
Cape Agulhas	1 700	-	-	1 700	1 700	-	-	1 700	1 152	548	68%	1 550	1 550
Cape Winelands District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	802	198	80%	1 000	1 000
Capricorn District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	804	196	80%	1 000	1 000
Cederberg	2 000	-	-	2 000	2 000	-	-	2 000	979	1 021	49%	2 132	2 132
Central Karoo District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	395	605	40%	1 000	1 000
Chief Albert Luthuli	2 000	-	-	2 000	2 000	-	-	2 000	914	1,086	46%	2 000	2 000
Chris Hani District Municipality	2 300	-	-	2 300	2 300	-	-	2 300	1 185	1 115	52%	1 000	1 000
City of Cape Town	1 000	-	-	1 000	1 000	-	-	1 000	821	179	82%	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	390	2 610	13%	3 100	3 100
City of Mbombela	2 600	-	-	2 600	2 600	-	-	2 600	494	2 106	19%	2 650	2 650
City of Tshwane	2 000	-	-	2 000	2 000	-	-	2 000	1 248	752	62%	2 200	2 200
Collins Chabane	2 500	-	-	2 500	2 500	-	-	2 500	805	1 695	32%	2 550	2 550
Dannhauser	1 900	-	-	1 900	1 900	-	-	1 900	1 544	356	81%	1 950	1 950
Dawid Kruiper	3 000	-	-	3 000	3 000	-	-	3 000	365	2 635	12%	3 000	3 000
Dihlabeng	2 700	-	-	2 700	2 700	-	-	2 700	1 128	1 572	42%	2 750	2 750

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
Dikgatlong	3 000	-	-	3 000	3 000	-	-	3 000	-	3 000	0%	3 100	3 100
Dipaleseng	2 800	-	-	2 800	2 800	-	-	2 800	475	2 325	17%	2 850	2 850
Ditsobotla	3 000	-	-	3 000	3 000	-	-	3 000	780	2 220	26%	3 100	3 100
Dr Beyers Naude	3 000	-	-	3 000	3 000	-	-	3 000	2 913	87	97%	3 100	3 100
Dr JS Moroka	2 400	-	-	2 400	2 400	-	-	2 400	885	1 515	37%	2 450	2 450
Dr Kenneth Kaunda District Municipality	1 000	-	-	1 000	1 000	-	-	1,000	760	240	76%	1 000	1 000
Dr Nkosazana Dlamini Zuma	1 900	-	-	1 900	1 900	-	-	1 900	1 241	659	65%	1 950	1 950
Dr Pixley ka Isaka Seme	2 400	-	-	2 400	2 400	-	-	2 400	1 987	413	83%	2 450	2 450
Dr Ruth Segomotsi Mompati District	3 600	-	-	3 600	3 600	-	-	3 600	2 478	1 122	69%	2 300	2 300
Dr. A.B. Xuma	1 700	-	-	1 700	1 700	-	-	1 700	522	1 178	31%	1 700	1 700
Drakenstein	1 600	-	-	1 600	1 600	-	-	1 600	1 127	473	70%	1 550	1 550
eDumbe	3 000	-	-	3 000	3 000	-	-	3 000	2 425	575	81%	3 000	3 000
Ehlanzeni District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	628	372	63%	1 000	1 000
Ekurhuleni	1 000	-	-	1 000	1 000	-	-	1 000	763	237	76%	1 000	1 000
Elias Motsoaledi	2 800	-	-	2 800	2 800	-	-	2 800	1 767	1 033	63%	2 850	2 850
Elundini	1 700	-	-	1 700	1 700	-	-	1 700	548	1 152	32%	1 700	1 700
eMadlangeni	3 000	-	-	3 000	3 000	-	-	3 000	1 591	1 409	53%	3 000	3 000
Emakhazeni	3 800	-	-	3 800	3 800	-	-	3 800	1 876	1 924	49%	2 900	2 900
Emalahleni – EC	3 000	-	-	3 000	3 000	-	-	3 000	2 345	655	78%	3 100	3 100
Emalahleni – MP	3 000	-	-	3 000	3 000	-	-	3 000	492	2 508	16%	3 000	3 000

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	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
Emfuleni	2 000	-	-	2 000	2 000	-	-	2 000	956	1 044	48%	2 200	2 200
Emthanjeni	1 800	-	-	1 800	1 800	-	-	1 800	-	1 800	0%	1 850	1 850
eNdumeni	2 000	-	-	2 000	2 000	-	-	2 000	1 635	365	82%	2 100	2 100
Enoch Mgijima	3 000	-	-	3 000	3 000	-	-	3 000	2 447	553	82%	3 100	3 100
Ephraim Mogale	3 000	-	-	3 000	3 000	-	-	3 000	2 099	901	70%	3 100	3 100
eThekwini	1 000	-	-	1 000	1 000	-	-	1 000	986	14	99%	1 000	1 000
Fetakgomo Tubatse	2 500	-	-	2 500	2 500	-	-	2 500	1 515	985	61%	2 550	2 550
Fezile Dabi District Municipality	1 300	-	-	1 300	1 300	-	-	1 300	1 052	248	81%	1 300	1 300
Frances Baard District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	322	678	32%	1 000	1 000
Gamagara	2 000	-	-	2 000	2 000	-	-	2 000	-	2 000	0%	2 100	2 100
Garden Route District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	292	708	29%	1 000	1 000
Ga-Segonyana	3 000	-	-	3 000	3 000	-	-	3 000	1 670	1 330	56%	3 100	3 100
George	1 800	-	-	1 800	1 800	-	-	1 800	787	1 013	44%	1 771	1 771
Gert Sibande District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	521	479	52%	1 000	1 000
Govan Mbeki	3 500	-	-	3 500	3 500	-	-	3 500	804	2 696	23%	2 100	2 100
Great Kei	2 400	-	-	2 400	2 400	-	-	2 400	2 004	396	84%	2 450	2 450
Greater Giyani	2 400	-	-	2 400	2 400	-	-	2 400	544	1 856	23%	2 400	2 400
Greater Kokstad	1 800	-	-	1 800	1 800	-	-	1 800	1 191	609	66%	1 750	1 750
Greater Letaba	2 000	-	-	2 000	2 000	-	-	2 000	1 166	834	58%	2 000	2 000
Greater Taung	3 000	-	-	3 000	3 000	-	-	3 000	2 808	192	94%	3 100	3 100
Greater Tzaneen	2 000	-	-	2 000	2 000	-	-	2 000	439	1 561	22%	2 000	2000
Hantam	1,900	-	-	1 900	1 900	-	-	1 900	1 637	263	86%	1 920	1 920

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FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
Harry Gwala District Municipality	1 200	-	-	1 200	1 200	-	-	1 200	690	510	58%	1 200	1 200
Hessequa	1 700	-	-	1 700	1 700	-	-	1 700	1 210	490	71%	1 550	1 550
iLembe District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	229	771	23%	1 000	1 000
iMpendle	2 400	-	-	2 400	2 400	-	-	2 400	1 604	796	67%	2 400	2 400
iNkosi Langalibalele	3 500	-	-	3 500	3 500	-	-	3 500	3 342	158	95%	2 300	2 300
Intsika Yethu	2 100	-	-	2 100	2 100	-	-	2 100	1 568	532	75%	2 100	2 100
Inxuba Yethemba	3 000	-	-	3 000	3 000	-	-	3 000	2 689	311	90%	3 100	3 100
Joe Gqabi District Municipality	1 500	-	-	1 500	1 500	-	-	1 500	1 195	305	80%	1 500	1 500
Joe Morolong	3 000	-	-	3 000	3 000	-	-	3 000	1 093	1 907	36%	3 100	3 100
John Taolo Gaetsewe District	1 000	-	-	1 000	1 000	-	-	1 000	797	203	80%	1 000	1 000
Jozini	3 000	-	-	3 000	3 000	-	-	3 000	752	2 248	25%	3 000	3 000
Kagisano-Molopo	3 000	-	-	3 000	3 000	-	-	3 000	1 481	1 519	49%	3 000	3 000
Kamiesberg	3 000	-	-	3 000	3 000	-	-	3 000	2 314	686	77%	3 100	3 100
Kannaland	2 900	-	-	2 900	2 900	-	-	2 900	1 625	1 275	56%	2 932	2 932
Kareeberg	2 800	-	-	2 800	2 800	-	-	2 800	1 151	1 649	41%	2 850	2 850
Karoo Hoogland	2 600	-	-	2 600	2 600	-	-	2 600	1 564	1 036	60%	2 650	2 650
Kgatelopele	3 000	-	-	3 000	3 000	-	-	3 000	-	3 000	0%	3 100	3 100
Kgetlengrivier	3 000	-	-	3 000	3 000	-	-	3 000	1 024	1 976	34%	3 100	3 100
Khâi-Ma	2 900	-	-	2 900	2 900	-	-	2 900	1 589	1 311	55%	2 900	2 900
King Cetshwayo District Municipality	1 200	-	-	1 200	1 200	-	-	1 200	765	435	64%	1 200	1 200

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
King Sabata Dalindyebo	2 800	-	-	2 800	2 800	-	-	2 800	2 774	26	99%	2 850	2 850
Knysna	1 800	-	-	1 800	1 800	-	-	1 800	926	874	51%	1 771	1 771
Kopanong	2 300	-	-	2 300	2 300	-	-	2 300	1 569	731	68%	2 300	2 300
Kouga	1 723	-	-	1 723	1 723	-	-	1 723	533	1 190	31%	1 720	1 720
Kou-Kamma	2 600	-	-	2 600	2 600	-	-	2 600	2 585	15	99%	2 650	2 650
KwaDukuza	1 800	-	-	1 800	1 800	-	-	1 800	803	997	45%	1 750	1 750
Laingsburg	1 800	-	-	1 800	1 800	-	-	1 800	1 090	710	61%	1 800	1 800
Langeberg	1 600	-	-	1 600	1 600	-	-	1 600	1 345	255	84%	1 550	1 550
Lejweleputswa District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	440	560	44%	1 000	1 000
Lekwa	2 800	-	-	2 800	2 800	-	-	2 800	2 238	562	80%	2 850	2 850
Lekwa-Teemane	3 000	-	-	3 000	3 000	-	-	3 000	2 101	899	70%	3 100	3 100
Lepele-Nkumpi	2 000	-	-	2 000	2 000	-	-	2 000	1 014	986	51%	2 000	2 000
Lephalale	1 800	-	-	1 800	1 800	-	-	1 800	1 483	317	82%	1 700	1 700
Lesedi	1 900	-	-	1 900	1 900	-	-	1 900	1 093	807	58%	1 950	1 950
Letsemeng	3 000	-	-	3 000	3 000	-	-	3 000	1 975	1 025	66%	3 000	3 000
Madibeng	2 900	-	-	2 900	2 900	-	-	2 900	1 899	1 001	65%	2 900	2 900
Mafikeng	3 000	-	-	3 000	3 000	-	-	3 000	2 450	550	82%	3 100	3 100
Mafube	3 000	-	-	3 000	3 000	-	-	3 000	2 126	874	71%	3 100	3 100
Magareng	3 000	-	-	3 000	3 000	-	-	3 000	1 747	1 253	58%	3 000	3 000
Makana	3 800	-	-	3 800	3 800	-	-	3 800	2 896	904	76%	3 100	3 100
Makhado	1 900	-	-	1 900	1 900	-	-	1 900	1 416	484	75%	1 950	1 950
Makhuduthamaga	1 800	-	-	1 800	1 800	-	-	1 800	1 441	359	80%	1 720	1 720
Maluti-a-Phofung	3 000	-	-	3 000	3 000	-	-	3 000	712	2 288	24%	3 100	3 100
Mamusa	3 000	-	-	3 000	3 000	-	-	3 000	1 250	1 750	42%	3 100	3 100
Mandeni	1 800	-	-	1 800	1 800	-	-	1 800	1 231	569	68%	1 850	1 850

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
Mangaung	2 000	-	-	2 000	2 000	-	-	2 000	1 203	797	60%	2 200	2 200
Mantsopa	3 000	-	-	3 000	3 000	-	-	3 000	1 861	1 139	62%	3 100	3 100
Maphumulo	1 800	-	-	1 800	1 800	-	-	1 800	1 280	520	71%	1 850	1 850
Maquassi Hills	3 800	-	-	3 800	3 800	-	-	3 800	-	3 800	0%	3 100	3 100
Maruleng	1 800	-	-	1 800	1 800	-	-	1 800	557	1 243	31%	1 850	1 850
Masilonyana	2 600	-	-	2 600	2 600	-	-	2 600	2 057	543	79%	2 650	2 650
Matatiele	1 700	-	-	1 700	1 700	-	-	1 700	942	758	55%	1 700	1 700
Matjhabeng	3 000	-	-	3 000	3 000	-	-	3 000	2 973	27	99%	3 100	3 100
Matzikama	1 800	-	-	1 800	1 800	-	-	1 800	1 124	676	62%	1 771	1 771
Mbhashe	1 700	-	-	1 700	1 700	-	-	1 700	1 430	270	84%	1 770	1 770
Merafong City	2 800	-	-	2 800	2 800	-	-	2 800	1 752	1 048	63%	2 850	2 850
Metsimaholo	2 700	-	-	2 700	2 700	-	-	2 700	612	2 088	23%	2 750	2 750
Mhlontlo	2 300	-	-	2 300	2 300	-	-	2 300	1 371	929	60%	2 300	2 300
Midvaal	1 800	-	-	1 800	1 800	-	-	1 800	382	1 418	21%	1 550	1 550
Mkhambathini	3 000	-	-	3 000	3 000	-	-	3 000	2 925	75	98%	3 000	3 000
Mkhondo	3 000	-	-	3 000	3 000	-	-	3 000	286	2 714	10%	3 100	3 100
Mnquma	1 900	-	-	1 900	1 900	-	-	1 900	366	1 534	19%	1 900	1 900
Modimolle-Mookgophong	2 600	-	-	2 600	2 600	-	-	2 600	1 508	1 092	58%	2 650	2 650
Mogalakwena	3 500	-	-	3 500	3 500	-	-	3 500	1 652	1 848	47%	2 100	2 100
Mogale City	1 800	-	-	1 800	1 800	-	-	1 800	1 347	453	75%	1 700	1 700
Mohokare	3 000	-	-	3 000	3 000	-	-	3 000	1 651	1 349	55%	3 000	3 000
Molemole	2 200	-	-	2 200	2 200	-	-	2 200	1 667	533	76%	2 300	2 300
Mopani District Municipality	3 000	-	-	3 000	3 000	-	-	3 000	1 996	1 004	67%	3 000	3 000
Moqhaka	2 300	-	-	2 300	2 300	-	-	2 300	1 369	931	60%	2 300	2 300
Moretele	2 900	-	-	2 900	2 900	-	-	2 900	2 188	712	75%	2 900	2 900
Moses Kotane	2 000	-	-	2 000	2 000	-	-	2 000	1 863	137	93%	1 950	1 950
Mossel Bay	1 700	-	-	1 700	1 700	-	-	1 700	829	871	49%	1 566	1 566

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	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
Mpofana	3 000	-	-	3 000	3 000	-	-	3 000	854	2 146	28%	3 000	3 000
Msukaligwa	3 800	-	-	3 800	3 800	-	-	3 800	436	3 364	11%	3 000	3 000
Msunduzi	1 900	-	-	1 900	1 900	-	-	1 900	514	1 386	27%	1 950	1 950
Mthonjaneni	2 800	-	-	2 800	2 800	-	-	2 800	2 689	111	96%	2 850	2 850
Mtubatuba	1 900	-	-	1 900	1 900	-	-	1 900	642	1 258	34%	1 920	1 920
Musina	3 000	-	-	3 000	3 000	-	-	3 000	2 589	411	86%	3 000	3 000
Nala	3 000	-	-	3 000	3 000	-	-	3 000	2 598	402	87%	3 100	3 100
Naledi	2 800	-	-	2 800	2 800	-	-	2 800	1 808	992	65%	2 850	2 850
Nama Khoi	3 000	-	-	3 000	3 000	-	-	3 000	2 741	259	91%	3 100	3 100
Namakwa District Municipality	2 000	-	-	2 000	2 000	-	-	2 000	788	1 212	39%	2 100	2 100
Ndlambe	2 500	-	-	2 500	2 500	-	-	2 500	2 251	249	90%	2 650	2 650
Ndwedwe	3 000	-	-	3 000	3 000	-	-	3 000	2 533	467	84%	3 100	3 100
Nelson Mandela Bay	1 000	-	-	1 000	1 000	-	-	1 000	397	603	40%	1 000	1 000
Newcastle	1 800	-	-	1 800	1 800	-	-	1 800	166	1 634	9%	1 850	1 850
Ngaka Modiri Molema District	3 000	-	-	3 000	3 000	-	-	3 000	537	2 463	18%	3 000	3 000
Ngqushwa	3 000	-	-	3 000	3 000	-	-	3 000	1 447	1 553	48%	3 100	3 100
Ngquza Hill	3 000	-	-	3 000	3 000	-	-	3 000	410	2 590	14%	1 700	1 700
Ngwathe	3 000	-	-	3 000	3 000	-	-	3 000	1 436	1 564	48%	3 100	3 100
Nkandla	2 600	-	-	2 600	2 600	-	-	2 600	969	1 631	37%	2 650	2 650
Nkangala District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	394	606	39%	1 000	1 000
Nketoana	2 800	-	-	2 800	2 800	-	-	2 800	2 445	355	87%	2 850	2 850
Nkomazi	1 800	-	-	1 800	1 800	-	-	1 800	944	856	52%	1 770	1 770
Nongoma	2 000	-	-	2 000	2 000	-	-	2 000	1 401	599	70%	2 000	2 000
Nquthu	1 800	-	-	1 800	1 800	-	-	1 800	755	1 045	42%	1 850	1 850
Ntabankulu	2 600	-	-	2 600	2 600	-	-	2 600	277	2 323	11%	2 650	2 650

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
Nyandeni	1 600	-	-	1 600	1 600	-	-	1 600	796	804	50%	1 650	1 650
O.R. Tambo District Municipality	2 000	-	-	2 000	2 000	-	-	2 000	560	1 440	28%	2 000	2 000
Okhahlamba	1 800	-	-	1 800	1 800	-	-	1 800	1 432	368	80%	1 850	1 850
Oudtshoorn	2 800	-	-	2 800	2 800	-	-	2 800	1 453	1 347	52%	2 802	2 802
Overberg District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	502	498	50%	1 000	1 000
Overstrand	1 700	-	-	1 700	1 700	-	-	1 700	741	959	44%	1 550	1 550
Phokwane	3 000	-	-	3 000	3 000	-	-	3 000	475	2 525	16%	3 100	3 100
Phumelela	3 000	-	-	3 000	3 000	-	-	3 000	1 956	1 044	65%	3 100	3 100
Pixley Ka Seme District Municipality	1 800	-	-	1 800	1 800	-	-	1 800	1 327	473	74%	1 700	1 700
Polokwane	2 400	-	-	2 400	2 400	-	-	2 400	1 326	1 074	55%	2 400	2 400
Port St Johns	2 600	-	-	2 600	2 600	-	-	2 600	1 466	1 134	56%	2 650	2 650
Prince Albert	1 800	-	-	1 800	1 800	-	-	1 800	1 464	336	81%	1 700	1 700
Ramotshere Moiloa	2 300	-	-	2 300	2 300	-	-	2 300	1 158	1 142	50%	2 300	2 300
Rand West City	2 300	-	-	2 300	2 300	-	-	2 300	681	1 619	30%	2 300	2 300
Ratlou	3 000	-	-	3 000	3 000	-	-	3 000	2 410	590	80%	1 890	1 890
Ray Nkonyeni	1 900	-	-	1 900	1 900	-	-	1 900	1 308	592	69%	1 950	1 950
Raymond Mhlaba	2 800	-	-	2 800	2 800	-	-	2 800	1 775	1 025	63%	2 850	2 850
Renosterberg	3 000	-	-	3 000	3 000	-	-	3 000	1 476	1 524	49%	3 100	3 100
Richmond	1 900	-	-	1 900	1 900	-	-	1 900	1 767	133	93%	1 950	1 950
Richtersveld	2 600	-	-	2 600	2 600	-	-	2 600	930	1 670	36%	2 650	2 650
Rustenburg	1 800	-	-	1 800	1 800	-	-	1 800	612	1 188	34%	1 700	1 700
Sakhisizwe	3 000	-	-	3 000	3 000	-	-	3 000	2 275	725	76%	1 700	1 700
Saldanha Bay	1 600	-	-	1 600	1 600	-	-	1 600	527	1 073	33%	1 550	1 550

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	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
Sarah Baartman District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	834	166	83%	1 000	1 000
Sedibeng District Municipality	1 400	-	-	1 400	1 400	-	-	1 400	500	900	36%	1 400	1 400
Sekhukhune District Municipality	2 400	-	-	2 400	2 400	-	-	2 400	2 235	165	93%	2 400	2 400
Senqu	1 700	-	-	1 700	1 700	-	-	1 700	1 448	252	85%	1 700	1 700
Setsoto	2 000	-	-	2 000	2 000	-	-	2 000	1 538	462	77%	2 200	2 200
Siyancuma	3 000	-	-	3 000	3 000	-	-	3 000	1 522	1 478	51%	3 100	3 100
Siyathemba	3 000	-	-	3 000	3 000	-	-	3 000	243	2 757	8%	3 100	3 100
Sol Plaatjie	1 800	-	-	1 800	1 800	-	-	1 800	952	848	53%	1 700	1 700
Stellenbosch	1 600	-	-	1 600	1 600	-	-	1 600	341	1 259	21%	1 550	1 550
Steve Tshwete	1 800	-	-	1 800	1 800	-	-	1 800	635	1 165	35%	1 700	1 700
Sundays River Valley	3 800	-	-	3 800	3 800	-	-	3 800	2 227	1 573	59%	3 100	3 100
Swartland	1 600	-	-	1 600	1 600	-	-	1 600	697	903	44%	1 550	1 550
Swellendam	1 800	-	-	1 800	1 800	-	-	1 800	590	1 210	33%	1 770	1 770
Thaba Chweu	3 000	-	-	3 000	3 000	-	-	3 000	1 706	1 294	57%	3 000	3 000
Thabazimbi	3 000	-	-	3 000	3 000	-	-	3 000	1 507	1 493	50%	3 100	3 100
Thabo Mofutsanyana District	2 300	-	-	2 300	2 300	-	-	2 300	1 815	485	79%	2 300	2 300
Theewaterskloof	1 800	-	-	1 800	1 800	-	-	1 800	1 359	441	76%	1 700	1 700
Thembelihle	3 000	-	-	3 000	3 000	-	-	3 000	2 002	998	67%	3 100	3 100
Thembisile Hani	1 800	-	-	1 800	1 800	-	-	1 800	1 383	417	77%	1 770	1 770
Thulamela	1 800	-	-	1 800	1 800	-	-	1 800	1 055	745	59%	1 700	1 700
Tokologo	3 000	-	-	3 000	3 000	-	-	3 000	2 473	527	82%	3 000	3 000
Tsantsabane	3 000	-	-	3 000	3 000	-	-	3 000	1 101	1 899	37%	3 100	3 100

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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
Tswaing	3 000	-	-	3 000	3 000	-	-	3 000	515	2 485	17%	3 100	3 100
Tswelopele	2 100	-	-	2 100	2 100	-	-	2 100	1 517	583	72%	2 100	2 100
uBuhlebezwe	1 900	-	-	1 900	1 900	-	-	1 900	1 211	689	64%	1 950	1 950
Ubuntu	2 900	-	-	2 900	2 900	-	-	2 900	2 449	451	84%	2 900	2 900
Ugu District Municipality	1 900	-	-	1 900	1 900	-	-	1 900	1 248	652	66%	1 950	1 950
Ulundi	2 000	-	-	2 000	2 000	-	-	2 000	1 370	630	69%	2 100	2 100
uMdoni	1 900	-	-	1 900	1 900	-	-	1 900	1 570	330	83%	1 950	1 950
uMfolozi	1 800	-	-	1 800	1 800	-	-	1 800	1 588	212	88%	1 850	1 850
uMgungundlovu District Municipality	1 200	-	-	1 200	1 200	-	-	1 200	548	652	46%	1 200	1 200
uMhlabuyalingana	1 800	-	-	1 800	1 800	-	-	1 800	1 162	638	65%	1 850	1 850
uMhlathuze	2 500	-	-	2 500	2 500	-	-	2 500	2 401	99	96%	2 500	2 500
uMkhanyakude District Municipality	3 500	-	-	3 500	3 500	-	-	3 500	118	3 382	3%	2 200	2 200
uMlalazi	1 800	-	-	1 800	1 800	-	-	1 800	1 292	508	72%	1 720	1 720
uMngeni	1 800	-	-	1 800	1 800	-	-	1 800	870	930	48%	1 720	1 720
uMshwathi	1 900	-	-	1 900	1 900	-	-	1 900	984	916	52%	1 920	1 920
uMsinga	1 800	-	-	1 800	1 800	-	-	1 800	309	1 491	17%	1 850	1 850
Umsobomvu	1 900	-	-	1 900	1 900	-	-	1 900	-	1 900	0%	1 920	1 920
uMuziwabantu	1 800	-	-	1 800	1 800	-	-	1 800	1 759	41	98%	1 850	1 850
uMvoti	2 500	-	-	2 500	2 500	-	-	2 500	748	1 752	30%	2 550	2 550
uMzimkhulu	1 800	-	-	1 800	1 800	-	-	1 800	1 800	-	100%	1 850	1 850
Umzimvubu	1 700	-	-	1 700	1 700	-	-	1 700	244	1 456	14%	1 720	1 720
uMzinyathi District Municipality	3 000	-	-	3 000	3 000	-	-	3 000	565	2 435	19%	1 850	1 850
uMzumbe	1 800	-	-	1 800	1 800	-	-	1 800	839	961	47%	1 850	1 850

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	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
uPhongolo	3 000	-	-	3 000	3 000	-	-	3 000	2 792	208	93%	3 000	3 000
uThukela District Municipality	2 000	-	-	2 000	2 000	-	-	2 000	460	1 540	23%	2 100	2 100
Ventersdorp/Tlokwe	3 000	-	-	3 000	3 000	-	-	3 000	1 356	1 644	45%	3 100	3 100
Vhembe District Municipality	3 000	-	-	3 000	3 000	-	-	3 000	2 123	877	71%	3 000	3 000
Victor Khanye	1 800	-	-	1 800	1 800	-	-	1 800	1 338	462	74%	1 850	1 850
Walter Sisulu	2 200	-	-	2 200	2 200	-	-	2 200	436	1 764	20%	2 200	2 200
Waterberg District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	622	378	62%	1 000	1 000
West Coast District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	371	629	37%	1 000	1 000
West Rand District Municipality	1 200	-	-	1 200	1 200	-	-	1 200	661	539	55%	1 200	1 200
Winnie Madikizela-Mandela	2 100	-	-	2 100	2 100	-	-	2 100	1 522	578	72%	2 100	2 100
Witzenberg	1 600	-	-	1 600	1 600	-	-	1 600	733	867	45%	1 550	1 550
Xhariep District Municipality	1 700	-	-	1 700	1 700	-	-	1 700	1 395	305	82%	1 720	1 720
Z.F Mgcawu District Municipalities	1 200	-	-	1 200	1 200	-	-	1 200	704	496	59%	1 200	1 200
Zululand Municipality	1 200	-	-	1 200	1 200	-	-	1 200	699	501	58%	1 200	1 200
TOTAL	**582 223**	-	-	**582 223**	**582 233**	-	-	**582 233**	**320 342**	**261 881**	**55%**	**568 571**	**568 571**

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2023/24	
	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	14 825	-	-	14 825	14 825	100%	14 626	14 626
Audit Statutory Bodies	-	-	-	-	-		50 000	50 000
Financial Intelligence Centre	400 871	-	-	400 871	400 871	100%	385 730	385 730
Government Technical Advisory Centre	369 799	-	-	369 799	72 707	20%	590 226	590 226
Independent Regulatory Board for Auditors	47 421	-	-	47 421	47 421	100%	45 857	45 857
South African Revenue Service	12 388 563	-	-	12 388 563	12 388 563	100%	13 280 696	13 280 696
Secret Services	4 864 749	-	-	4 864 749	4 864 749	100%	5 038 748	5 038 748
Skills Development Levy	2 649	-	150	2 799	2 797	100%	2 535	2 346
Cooperative Banking Development Agency	16 850	-	-	16 850	16 850	100%	20 911	20 911
Financial and Fiscal Commission	60 266	-	-	60 266	60 266	100%	59 084	59 084
1% Audit fees (AGSA) – Direct Charge	128 578	-	-	128 578	128 578	100%	123 052	123 052
Financial Sector Conduct Authority	-	-	-	-	-		8 000	8 000
COM: LICENCES	10	-	-	10	8	80%	-	-
TOTAL	**18 294 581**	**-**	**150**	**18 294 731**	**17 997 635**	**98%**	**19 619 465**	**19 619 276**

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2023/24	
	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	**164 047 314**	**-**	**-**	**164 047 314**	**100 047 314**	**61%**	**-**	**-**	**76 198 773**	**198 773**
DEVELOPMENT BANK OF SA	-	-	-	-	-	-	-	-	152 500	152 500
DEVELOPMENT BANK OF SA	47 314	-	-	47 314	-	0%	-	-	46 273	46 273
ESKOM	64 000 000	-	-	64 000 000	-	-	-	-	76 000 000	-
SARB	100 000 000	-	-	100 000 000	100 000 000	100%	-	-	-	-
Subtotal: Public corporations	**164 047 314**	**-**	**-**	**164 047 314**	**100 000 000**	**61%**	**-**	**-**	**76 198 773**	**198 773**
TOTAL	**164 047 314**	**-**	**-**	**164 047 314**	**100 000 000**	**61%**	**-**	**-**	**76 198 773**	**198 773**

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2023/24	
	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	1 413	-	-	1 413	928	66%	1 337	955
Common Monetary Area Compensation	1 633 329	-	(219 000)	1 414 329	1 235 452	87%	1 474 365	1,445 554
International Funding Facility for Immunisation	20 850	-	-	20 850	19 189	92%	20 000	18 877
Institute for Development Economic Planning (IDEP)	1 476	-	-	1 476	1 477	100%	1 475	1 475
African Development Bank & African Development Fund	114 281	-	-	114 281	109 208	96%	111 910	109 369
Collaborative African Budget Reform Initiative	2 900	-	-	2 900	2 681	92%	3 000	2 805
Commonwealth Fund for Technical Cooperation	6 308	-	-	6 308	6 308	100%	6 995	6 994
United Kingdom Tax	700	-	(450)	250	249	100%	1 000	650
World Bank (FIGO)	66 340	-	-	66 340	66 340	100%	66 340	66 340
Financial Intermediary Fund	-	-	-	-	-		57 797	54 665
TOTAL	**1 847 597**	**-**	**(219 450)**	**1 628 147**	**1 441 832**	**89%**	**1 744 219**	**1 707 683**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2023/24	
	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	115 985	-	24 270	140 255	140 255	100%	128 726	128 725
Other benefits Ex-Service Men	12 021	-	(1 190)	10 831	10 826	100%	10 873	10 871
Injury on duty	757 890	-	129 476	887 366	887 365	100%	824 978	824 977
Military pensions ex-servicemen	285	-	-	285	285	100%	315	314
SA citizen force	217 319	-	4 618	221 937	221 929	100%	212 632	212 631
Special pensions	481 800	-	4 320	486 120	486 100	100%	477 333	477 333
Post retirement medical schemes contribution	5 384 017	-	157 264	5 541 281	5,540 715	100%	4 930 205	4 930 938
Social assistance (bursaries)	4 262	-	(2 315)	1 947	1 236	63%	3 362	1 145
Service benefits leave gratuity	1 118	-	2 822	3 940	3 722	94%	5 933	5 603
Claims against state	4 800	-	49	4 849	4 834	100%	47	31
Non-statutory Forces	-	-	-	-	-		-	-
Pension Benefit RSA President	10,470	-	1 326	11 796	11 795	100%	10 453	10 453
Political office Bearers	22,584	-	(22 584)	-	-		-	-
Parliamentary Awards	-	-	-	-	-		-	-
PFMI	309	-	(50)	259	256	99%	291	290
Civil Protection	-	-	-	-	-		-	-
Donations and Gifts (Cash)	1	-	12	13	12	92%	-	-
Social Benefit: Post Retirement Benefit	-	-	1 087	1 087	1 084	100%	-	-
TOTAL	**7 012 861**		**299 105**	**7 311 966**	**7 310 414**	**100%**	**6 605 148**	**6 603 311**

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

		2024/25	2023/24
NAME OF ORGANISATION	**NATURE OF GIFT, DONATION OR SPONSORSHIP**	**R'000**	**R'000**
Received in kind			
Gifts			
IREP DDG	G20 Attendance Gift	-	3
OAG	PFM Conference	-	6
FMCD	PFM Conference	-	2
IGR	PFM Conference	-	9
OCPO	Old Mutual Golf Event	-	1
OAG	Old Mutual Golf Event	-	7
ODG	IMF Gift	-	2
OAG	AAAG Conference	-	2
OAG	SAICA Public Sector Summit	-	1
IGR	NT Golf Event	-	3
EP	IMF Course	-	126
IGR	CIGFARO Conference	1	-
ODG	US EMBASY	1	-
ODG	INVESTEC & Rand Merchant Band (RMB)	2	-
ODG	G20 Conference NDB &SAICA	1	-
ALM	SFA NT	6	-
IGR	SALGA - Polar Box cooler	1	-
Total Gifts		**12**	**162**
Sponsorships			
IREP DDG	Flight tickets, accommodation, shuttle in Addis Ababa, and daily living allowance		48
Total sponsorships			48
Subtotal - received in kind		**12**	**210**
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		**12**	**210**

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	32	450	(376)	(32)	74
TECH SUP TRNSF C&L MNG CCHNG(GA)	The purpose is to improve and strengthen Public Finance Management (PFM) within the context of building the capacity within provincial government. The project aims to improve the performance and productivity of all nine Provincial Treasuries senior managers through coaching	69	-	-	(69)	-
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	9 566	35 102	(9 015)	(9 566)	26 087
FMISD	Establish and operationalise a management information system (knowledge management information system for ODA (DCMIS)	6 286	-	(65)	(6 286)	(65)
PFM PROG EXEC LEADERSHIP	The purpose of PFM Executive Leadership Programme is founded in 3 critical components as a NT's contribution to agenda of building the capacity of the state. First it covers PFM leadership induction workshops for MECs and HODs in all provinces. Secondly, it seeks to forge academic partnership through NSG for the delivery of PFM leadership INNOVATION for provincial executives within the context of inclusive economic growth. Thirdly, through NSG partnership and or academia, develop a pool of public servants(practitioners) as a new cohort of PFM leadership innovators	-	915	(915)	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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
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, and their entities	1 312	3 300	(3 035)	(1 312)	265
GEN ACC OF DONOR: EU-MUNICIPAL PROJECTS	Develop the public finance management capacity of national provincial and local government	-	22 423	(22 423)	-	-
MIGRATION PBARS (MODEL)-(BTC)	The objective of this project is to build the capacity of the state by improving the efficiency and quality of reporting on the preparation, monitoring and reporting processes of provincial budgets. The implementation of this project will reduce the administrative burden currently placed on provincial departments in completing their reporting requirements as outlined in the PFMA. Furthermore, this project will improve performance and productivity for all relevant provincial officials to ensure credible and transparent provincial budget preparation, implementation, and monitoring. Other benefits of migrating the existing tools to the web-based platform include improving compliance by provincial departments with sector-agreed uniform budget programme structures which will be linked to the database with codification; Instilling the culture of assessing and analysing the personnel-related expenses with minimal effort. Currently, budgeting and monitoring of personnel-related expenses is a tedious exercise due to the volume of data involved; and automating and integrating the own revenue tool with all relevant database reporting on the provincial own revenue to reduce not only the workload but to decrease the occurrence of human error during the manual capturing process. This will increase the accuracy and reliability of the provincial own revenue	-	1 074	(1 074)	-	-

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
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	-	5 210	(3 908)	-	1 302
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 Councilors) and executives (Municipal managers) of South Africa's 257 municipalities. It seeks to improve their understanding of the principles, policies, regulations and legislation specifically underlying supply chain management in the public sector and enhancing public financial management capability	-	916	(797)	-	119
		17 265	**69 390**	**(41 608)**	**(17 265)**	**27 782**
		-	-	-	-	-
TOTAL AID ASSISTANCE RECEIVED		**17 265**	**69 390**	**(41 608)**	**(17 265)**	**27 782**

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
		2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Yes/No
National/Provincial Public Entity										
Accounting Standards Board	Schedule 3A	-	-	-	-	1 522	1 663	(141)	495	No
Co-operative Banks Development Agency	Schedule 3A	-	-	-		-	-	-	-	No
Development Bank of Southern Africa	Schedule 2	-	-	200 000	200 000	58 518 738	52 040 647	5 888 458	4 648 799	No
FAIS Ombudsman	Schedule 3A	-	-	-	-	106 354	85 845	20 507	25 078	No
Financial and Fiscal Commission	Schedule 1	-	-		-	30 125	500	10 334	(3 063)	No
Financial Intelligence Centre	Schedule 3A	-	-	-	-	156 880	185 436	(11 849)	85 288	No
Financial Sector Conduct Authority	Schedule 3A	-	-	-	-	861 635	639 893	220 165	158 736	No
Government Pensions Administration Agency	Schedule 3A	-	-	-	-	453 473	305 743	11 926	49 915	No
Government Technical Advisory Centre	Schedule 3A	-	-	-	-	267 435	264 376	2 809	17 060	No
Independent Regulatory Board for Auditors	Schedule 3A	-	-	-	-	137 093	137 204	(36 644)	19 647	No
Land Bank	Schedule 2	-	-	14 397 655	14 397 655	11 005 000	4 558 438	839 377	152 820	No
Office of the Pensions Funds Adjudicator	Schedule 3A	-	-	-	-	18 158	45 357	24 569	5 100	No
Ombud Council	Schedule 3A	-	-	-	-	18 557	22 029	4 529	22 318	No
Public Investments Corporations Ltd	Schedule 3B	-	-	1	1	4 327 209	4 035 017	437 192	304 143	No
Sasria SOC Ltd	Schedule 3B	-	-	22 000 000	22 000 000	17 675 429	(6 777 191)	3 532 889	(13 137 032)	No
South African Revenue Service	Schedule 3A	-	-	-	-	4 883 876	5 191 175	(307 301)	819 977	No
TOTAL		**-**	**-**	**36 597 656**	**36 597 656**	**98 461 484**	**60 736 132**	**10 636 820**	**(6 830 719)**	

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	-	-	1 522	1 663	2	443	213	273
Co-operative Banks Development Agency	Establish a Regulatory framework for co-operative banks	-	-	-	-	-	-	-	-
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	58 518 738	52 040 647	320 172	238 723	1 280 492	1 309 114
FAIS Ombudsman	Handling complaints I terms of the Financial Advisory and Intermediary Services Act (2002)	-	-	106 354	85 845	11 151	12 949	397	2 531
Financial and Fiscal Commission	Assist and maintain the fiscal balance between fiscal decentralisation and the unitary state	-	-	30 125	500	1 297	365	8 529	1 582

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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
Financial Intelligence Centre	Assist in the identification of unlawful, activities and combating of money laundering activities, funding of terrorism, and related activities.	-	-	156 880	185 436	369	471	20 152	20 841
Financial Sector Conduct Authority	To oversee the South African non-banking financial services industry in the public interest	-	-	861 635	639 893	243 517	55 740	239 052	80 876
Government Pensions Administration Agency	Government Employees pension fund in terms of the Government Employees Pension (GEP) Act (1996)	-	-	453 473	305 743	105 504	207 739	99 390	142 331
Government Technical Advisory Centre	Assist organs of state in their capacity for efficient, effective and transparent financial management	-	-	267 435	264 376	41 316	6 298	2 963 305	2 784 570
Independent Regulatory Board for Auditors	Registration of public accountants and auditors and for the regulation of the training of public accountants and auditors	-	-	137 093	137 204	12 020	17 188	24 276	8 208
Land Bank	Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for the	14 397 655	14 397 655	11 005 000	4 558 438	163 477	189 245	155 559	-

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
	historically disadvantaged people								
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	-	-	18 158	45 357	5 052	962	6 522	1 911
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.	-	-	18 557	22 029	(824)	3 312	2 437	736
Public Investment Corporations Ltd	Invests funds on behalf of the South African public sector	1	1	4 327 209	4 035 017	110 509	361 902	100 074	118 408
Sasria SOC Ltd	Special Risk Insurance	22 000 000	22 000 000	17 675 429	(6 777 191)	1 975 770	2 446 141	106 479	23 274 296
South African Revenue Service	Efficient and Effective collection of revenue	-	-	4 883 876	5 191 175	160	214	219 673	405 082
Subtotal		**36 597 656**	**36 597 656**	**98 461 484**	**60 736 132**	**2 989 492**	**3 541 692**	**5 226 550**	**28 150 759**
TOTAL		**36 597 656**	**36 597 656**	**98 461 484**	**60 736 132**	**2 989 492**	**3 541 692**	**5 226 550**	**28 150 759**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2024	GUARANTEES DRAWDOWNS DURING THE YEAR	GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2025	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2025
		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	-	18 918
South African Reserve Bank	Covid-19 loan guarantee scheme	12 000 000	6 189 476	-	3 054 140	-	3 135 336	-	390 722
South African Reserve Bank	Bounce Back Scheme	960 000	811 761	-	175 203	-	636 558	-	59 276
South African Reserve Bank	Bounce Back Energy Scheme	8 000 000	-	669 510	25 558	-	643 952	-	20 734
South African Reserve Bank	Depositors of Habib Overseas Bank	100 000	44 236	1 658	-	-	45 894	-	3 277
Subtotal-Local		**21 186 060**	**7 100 736**	**671 168**	**3 254 901**	**-**	**4 517 003**	**-**	**492 927**

ANNEXURE 3A (CONTINUED)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - FOREIGN

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2024	GUARANTEES DRAWDOWNS DURING THE YEAR	GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2025	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2025
		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	5 598 564	597 276	-	-	6 195,840	-	10 875
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	581 054	120 080	-	28 516	(4 406)	87 158	-	445
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	289 604	112 217	-	14 213	(3 883)	94 121	-	476
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	249 133	138 258	-	11 938	(4 680)	121 640	-	622
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	254 038	77 133	-	12 212	(2 715)	62 206	-	318
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	273 958	70 770	-	13 445	(2 533)	54 792	-	280
Subtotal - Foreign		**10 117 788**	**6 117 023**	**597 276**	**80 324**	**(18 217)**	**6 615 758**	**-**	**13 016**
Total		**31 303 848**	**13 217 759**	**1 268 444**	**3 335 225**	**(18 217)**	**11 132 761**	**-**	**505 943**

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

NATURE OF LIABILITY	OPENING BALANCE 1 APRIL 2024	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2025
	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 a 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 licence 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 licence agreement as agreed in the rollout 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	79 792	368 675	-	-	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	-	1 050	-	-	1 050

NATURE OF LIABILITY	OPENING BALANCE 1 APRIL 2024	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2025
	R'000	R'000	R'000	R'000	R'000
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					
SUB TOTAL	**145 273**	**369 725**	**-**	**-**	**514 998**
Other					
litary Pension	352 860	26 551	(9 376)	(4 970)	365 065
Injury on duty	39 371	3 305	(9 086)	-	33 590
Special Pension	96 491	34 808	(2 628)	(23 945)	104 726
Medical Benefits	-	8 558	-	(327)	8 231
Subtotal	**488 722**	**73 222**	**(21 090)**	**(29 242)**	**511 612**
TOTAL	**633 995**	**442 947**	**(21 090)**	**(29 242)**	**1 026 610**

ANNEXURE 4

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Western Cape	-	-	-	21	-	21
National Departments	89	12	838	817	927	829
Eastern Cape	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-
Foreign government	-	-	1 335	1 335	1 335	1 335
OTHER GOVERNMENT ENTITIES						
Total	**89**	**12**	**2 173**	**2 173**	**2 262**	**2 185**

ANNEXURE 6

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2025	*Note*	Smart Meters	TOTAL
		R'000	R'000
Opening balance		-	-
Add/(Less): Adjustments to prior year balances			-
Add: Additions/Purchases – Cash		499 982	499 982
Add: Additions – Non-cash			-
(Less): Disposals			-
(Less): Issues		(499 982)	(499 982)
Add/(Less): Received current, not paid (Paid current year, received prior year)			-
Add/(Less): Adjustments			-
Closing balance		-	-

ANNEXURE 7

MOVEMENT IN CAPITAL WORK-IN-PROGRESS

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	OPENING BALANCE	CURRENT YEAR CAPITAL WIP	READY FOR USE (ASSET REGISTER) / CONTRACT TERMINATED	CLOSING BALANCE
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	394 241	-	-	394 241
Computer Software	394 241	-	-	394 241
TOTAL	**394 241**	**-**	**-**	**394 241**

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	OPENING BALANCE	PRIOR PERIOD ERRORS	CURRENT YEAR CAPITAL WIP	READY FOR USE (ASSET REGISTER) / CONTRACT TERMINATED	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	**394 241**	**-**	**-**	**-**	**394 241**
Computer Software	394 241	-	-	-	394 241
TOTAL	**394 241**	**-**	**-**	**-**	**394 241**

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 13)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication and Information System	18	-	-	-	18	-
Subtotal	**18**	**-**	**-**	**-**	**18**	**-**
PROVINCIAL DEPARTMENTS						
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
PUBLIC ENTITIES						
Pension Administration	22 104	102 598	-	-	22 104	102 594
Subtotal	**22 104**	**102 598**	**-**	**-**	**22 104**	**102 594**
OTHER INSTITUTIONS						
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**22 122**	**102 598**	**-**	**-**	**22 122**	**102 598**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ANNEXURE 8B

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
PUBLIC ENTITIES						
Current						
FASSET	7 831	7 670	-	-	7 831	7 670
PSETA	186	199	-	-	186	199
TETA	2 288	2 848	-	-	2 288	2 848
SSA REVENUE	3 769	406	-	-	3 769	406
TOTAL	**14 074**	**11 123**	**-**	**-**	**14 074**	**11 123**

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 13)

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIPTION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLAS-SIFICATION CATEGO-RIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	BALANCE OUT-STANDING AS AT 31 MARCH 2025	TOTAL AMOUNT PREPAID / ADVANCE D IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STANDING AS AT 31 MARCH 2025	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	R'000	
Prepayments													
THE BELG TECHNICAL COOP (BTC)	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	N/A	131962 POUNDS	2018/09/24	2019/02/28	32	376	(376)	(32)	-	
MIGRATION PBARS (MODEL)-WB APP	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	ZA/DCI/22802	250000 EUR	2012/05/24	2017/05/23	-	1 074	(1 074)	-	-	
MUNICIPAL PROJECTS	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	GBS5/19/05	322 030 324	2021/01/22	2027/01/21	-	22 423	(22 423)	-	-	
TECH SUP TRNSF C&L MNG CCHNG (GA)	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	ZA/DCI/22802	250000 EUR	2012/05/24	2017/05/23	69	-	-	(69)	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIPTION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLAS-SIFICATION CATEGO-RIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	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 OUT-STANDING AS AT 31 MARCH 2025	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	R'000	
GENERAL BUDGET SUPPORT: IDMS(GA)	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	ZA/DCI/22802	250000 EUR	2012/05/24	2017/05/23	9 566	9 015	(9 015)	(9 566)	-	
FMISD	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	ZA/DCI-AFS/040/048	15163 EUR	2018/07/19	2024/07/18	6,286	65	(65)	(6 286)	-	
PFM PROG EXEC LEADER-SHIP	Aid Assistance	Training and development	Goods and services	N/A	131962 POUNDS	2018/09/24	2019/02/28	-	915	(915)	-	-	
TECHNICAL ASSIST FACILITY-(GA)	Aid Assistance	Consultants-business and advisory: research and advisory services and Training and development	Goods and services	N/A	N/A	N/A	N/A	1 312	3 035	(3 035)	(1 312)	-	
CONDUCT IND AUDITS ON MSCOA (GA)	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	N/A	N/A	N/A	N/A	-	3 908	(3 908)	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIPTION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLAS-SIFICATION CATEGO-RIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	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 OUT-STANDING AS AT 31 MARCH 2025	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	R'000	
GEN ACC OF DONOR: NEW ZEALAND-STRENGTHENING MUNICIPAL PROCRMNT	Aid Assistance	Consultants-business and advisory: research and advisory services	Goods and services	N/A	N/A	N/A	N/A	-	797	(797)	-	-	
Nedbank Amex(G20)	G20	Travel and Subsistence	Goods and services	N/A	N/A	N/A	N/A	-	20 238	-	-	20 238	G20 travel and subsistence
ICT works	ICT	Computer services	N/A	N/A	N/A	N/A	N/A	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	3 109	408	-	-	3 517	
TOTAL PRE-PAYMENTS								**35 900**	**62 254**	**(41 608)**	**(17 265)**	**39 281**	
Advances													
GPAA	Pension Administration	Pension-administration	Public entities	N/A	N/A	N/A	N/A	102 598	22,104	-102 598	-	22 104	
GCIS	Communicati ons	Communi-cations	National depart-ments	N/A	N/A	N/A	N/A	-	18	-	-	18	
Travel and Subsistenc e- National Treasury	National Treasury	Travel and Subsistence-National Treasury	National depart-ments	N/A	N/A	N/A	N/A	217	393	217		393	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIPTION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLASSIFICATION CATEGORIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCEMENT DATE	CONTRACT END DATE	BALANCE OUTSTANDING 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 2025	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	R'000	
GTAC - Job Funds	Job Creation	Consultants-business and advisory: research and advisory services	National departments	N/A	9 000 000	2020/04/01	N/A	376 645	298 186	-377 739	29 872	326 964	
GTAC - NDP	National Development Plan	Consultants-business and advisory: research and advisory services	National departments	N/A	N/A	2020/04/01	N/A	18 567	93 925	-94 365	3 850	21 977	
GTAC - MFIP	Local Government Finance Management	Consultants-business and advisory: research and advisory services	National departments	N/A	N/A	N/A	N/A	165 271	101 380	-172 236	-	94 415	
GTAC - ECFF	Employment Creation Facility	Consultants-business and advisory: research and advisory services	Public entities	N/A	9 000 000	2020/04/01	N/A	8 819	-	-1 937	-	6 882	
GTAC - IDIP	Infrastructure Delivery Improvement	Consultants-business and advisory: research and advisory services	Other institutions	N/A	315 000	2010/02/01	2013/03/31	4 680	-	-228	-	4 452	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIPTION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLAS-SIFICATION CATEGO-RIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	BALANCE OUT-STANDING AS AT 31 MARCH 2025	TOTAL AMOUNT PREPAID / ADVANCE D IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STANDING AS AT 31 MARCH 2025	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	R'000	
DBSA - NT Project prep fund	Financial Institution	Public co-corporations	Other institutions	N/A	400 000	2020/02/25	N/A	295 996		-72 024	21 379	245 351	
DBSA - Infrastructure Fund	Financial Institution	Public co-corporations	Other institutions	N/A	N/A	2020/08/17	2030/08/16	104 381	47 314	-28 061	9 831	133 465	
DBSA - NT Social Housing Projects	Financial Institution	Public co-corporations	Other institutions	N/A	N/A	N/A	N/A	334 663	-	-3 328	16 385	347 720	
BSA - CSP	Financial Institution	Consultants-business and advisory: research and advisory services	Provincial depart-ments	N/A	40 000	2014/04/01	2024/03/31	7 253	64 500	-58 664	766	13 855	
DBSA- IDMS	Financial Institution	Consutants-business and advisory: research and advisory services	Provincial depart-ments	N/A	132 855	2021/12/14	2024/12/13	9 993	20 650	-22 975	63	7 731	
TOTAL ADVANCES								**1 429 083**	**648 470**	**(934 372)**	**82 146**	**1 225 327**	
TOTAL PREPAYMENTS AND ADVANCES								**1 464 983**	**710 724**	**(975 980)**	**64 881**	**1 264 608**	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Included on **Annexure 12** is the interest accumulated from the advances made to entities. This is earned by the entities into their own bank accounts, therefore for transparency purposes this annexure shows all the movements for the benefit of the user of the NT AFS. The interest is not included on Notes 11 (Word version) and 13 (Excel version) as it is not a requirement for the change in the accounting policy prepayment and advances which only requires departments to reflect advances not expensed.

2024/25

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA