

25/26 ANNUAL Report

the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

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PART A
GENERAL INFORMATION

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LIST OF ABBREVIATIONS / ACRONYMS

AC:	Audit Committee
ACL:	Access Control List
AGSA:	Auditor-General South Africa
AIPF:	Associated Institutions Pension Fund
APP:	Annual Performance Plan
B-BBEE:	Broad-based Black Economic Empowerment
CAE:	Chief Audit Executive
CAP:	Common Access Poin
CBO:	Community Based Organisations
CDR:	Central Data Repository
CEO:	Chief Executive Officer
CLO:	Client Liaison Officer
CRM:	Client Relationship Management
DBC:	Departmental Bargaining Chamber
DEL:	Department of Employment and Labour
DMV:	Department of Military Veterans
DPSA:	Department of Public Service and Administration
EB:	Employee Benefits
EDD:	Electronic Doc Distribution
EE:	Employment Equity
EHW:	Employee Health and Wellness
FM:	Frequency Modulation
GEP:	Government Employees Pension
GEPF:	Government Employees Pension Fund
GPAA:	Government Pensions Administration Agency
GPAA HO:	Government Pensions Administration Agency Head Office
HATM:	HIV, AIDs and TB Management
HPM:	Health and Productivity Management
HR:	Human Resources
HRM:	Human Resource Management
IA:	Internal Audit
ICT:	Information Communication Technology
IOD:	Injury on Duty
IT:	Information Technology
JE:	Job Evaluation
LAN:	Local Area Network
M&E:	Monitoring and Evaluation
MTDP:	Medium-Term Development Plan
MVP:	Military Veterans Pension
NDP:	National Development Plan
NDR:	Network Detection Response
NT:	National Treasury
OB:	Outside Broadcast
OIPR:	Organisational and Individual Performance Review
ORW:	Other Remunerative Work
PC:	Portfolio Committee
PFMA:	Public Finance Management Act
PILIR:	Policy and Procedure on Incapacity Leave and Ill-Health Retirement
PMDS:	Performance Management Development System
PMO:	Project Management Office
PO:	Purchase Order
PSA	Public Service Act
PSC:	Public Service Commission
PSCBC:	Public Service Coordinating Bargaining Council
PSR:	Public Service Regulations
PSWMW:	Public Service Women Management Week
PTY LTD:	Proprietary Limited
RCI:	Root Cause Identification
RE1:	Regulatory Exam
RMC:	Risk Management Committee
RoP:	Re-Orientation Programme
SAPS:	South African Police Service
SCM:	Supply Chain Management
SHERQ:	Safety, Health, Environment, Risk and Quality
SITA:	State Information Technology Agency
SLA:	Service Level Agreement
SMS:	Senior Management Service
SOC:	Security Operations Centre
SOC LTD:	State-Owned Company Limited
SOP:	Standard Operating Procedure
SP:	Strategic Plan
TCF:	Treating Customers Fairly
TEPF:	Temporary Employees Pension Fund
UAT:	User Acceptance Testing
VIP:	Very Important Person
WAN:	Wide Area Network
WASP:	Wireless Application Service Provider
WM:	Wellness Management



FOREWORD BY THE MINISTER OF FINANCE

ENOCH GODONGWANA

MINISTER OF FINANCE

The GPAA continues to prioritise women, youth and persons with disabilities, contributing to broader socio-economic empowerment and equity.

Together, we will continue striving to position the GPAA as a leading customer-centric pension and related benefits administrator of choice.

It is my honour to present the Annual Report of the Government Pensions Administration Agency (GPAA) for the financial year ended 31 March 2026.

The year under review unfolded against a backdrop of persistent global and domestic economic challenges, such as rising inflation, unemployment, poverty and inequality. Within this challenging environment, the GPAA remained committed to strengthening South Africa's social security system by ensuring that pensioners, beneficiaries and dependants receive their benefits with dignity, reliability and efficiency.

The work of the GPAA remains central to government's broader developmental agenda, particularly in advancing inclusive growth, reducing poverty and building a capable, ethical and developmental state. The Agency's mandate to administer pensions and related benefits on behalf of the Government Employees Pension Fund (GEPF), National Treasury Programme 7 and the Department of Military Veterans (DMV) continues to provide critical financial support to more than two million South Africans, thereby contributing to household stability and economic resilience.

During the year under review, the GPAA demonstrated commendable progress in enhancing service delivery and operational efficiency. Notable achievements include improved turnaround times for benefit payments and the expansion of digital service channels to strengthen accessibility. The Agency also maintained high levels of client satisfaction, reflecting its commitment to a customer-centred approach and service excellence.

In line with its strategic priorities, the GPAA continued to invest in modernisation initiatives, including digital platforms, self-service applications and mobile service delivery models, which have extended the organisation's reach to underserved communities. These initiatives, together with outreach programmes and stakeholder engagements have strengthened trust, transparency and accountability in the administration of benefits.

The GPAA also advanced transformation and inclusivity. Through initiatives that promote inclusive economic participation. Through targeted procurement and human capital development initiatives, the GPAA continued to prioritise women, youth and persons with disabilities, contributing to broader socio-economic empowerment and equity.

Notwithstanding these achievements, challenges remain. These include the need to further modernise legacy systems, mitigate cybersecurity risks, strengthen data quality and address capacity constraints. Government remains committed to supporting the GPAA in addressing these challenges to ensure sustained performance and improved outcomes.

I am encouraged by the GPAA's continued focus on strengthening governance, compliance and accountability, guided by legislative frameworks such as the Public Finance Management Act, 1999 (Act No. 1 of 1999), Batho Pele Principles and other applicable legislative frameworks. These efforts are critical to maintaining public confidence and ensuring the ethical stewardship of public resources.

Looking ahead, the GPAA is well positioned to build on the progress achieved during the year under review. The focus will be on improving turnaround times, reducing unclaimed benefits, enhancing digital transformation and strengthening stakeholder collaboration. These priorities will ensure that the organisation remains responsive to the evolving needs of its members and beneficiaries, while contributing meaningfully to South Africa's socio-economic development.

I wish to extend my sincere appreciation to the management and staff of the GPAA for their dedication, resilience and unwavering commitment to serving the people of South Africa.

I also acknowledge the continued support of all stakeholders whose contributions remain integral to the success of the organisation.

Together, we will continue striving to position the GPAA as a leading customer-centric pension and related benefits administrator of choice.



ENOCH GODONGWANA,
MP MINISTER OF FINANCE
Date: 10 August 2026



REPORT OF THE ACCOUNTING OFFICER

STADI MNGOMEZULU

ACTING CEO

Against this demanding environment, the GPAA achieved **80%** of its adjusted Annual Performance Plan targets, with 20 of the 25 indicators being achieved.

I hereby present the Accounting Officer's Report for the Government Pensions Administration Agency (GPAA) for the 2025/2026 financial year.

The GPAA continued to fulfil its mandate as a government component of National Treasury, administering pension and related benefits on behalf of the Government Employees Pension Fund (GEPF), National Treasury Programme 7 and the Department of Military Veterans (DMV). At the end of March 2026, the GEPF had 1 283 057 active members and 386 241 pensioners. The GPAA received contributions amounting to approximately R100 billion and paid R165 billion to exiting members, pensioners and beneficiaries. These figures demonstrate the scale, public value and social security impact of the GPAA's work.

The reporting year was marked by significant policy, operational and organisational developments. The Two-Pot retirement system was fully operational during the year under review, with savings withdrawals of approximately R26 billion processed. This required the GPAA to maintain service continuity while managing increased transaction volumes, system changes, member education requirements and operational complexity. The successful amalgamation of the Associated Institutions Pension Fund and the Temporary Employees Pension Fund into the GEPF, as well as the administration of military veterans' pensions, further expanded the GPAA's service delivery responsibilities and reinforced its role as a centralised administrator of government retirement and post-retirement benefits.

Against this demanding environment, the GPAA achieved 80% of its Annual Performance Plan targets, with 20 of the 25 indicators being achieved. Strong performance was recorded in the Benefits Administration programme, including 100% achievement for efficient member and contribution management and efficient client service management. Overall, an average of 87.54% of benefits were paid on time after receipt of duly completed documentation, i.e.: DMV benefits at 80.51%; GEPF benefits at 89.16%; National Treasury benefits at 99.99%.

In addition, 96.73% of new members were admitted within the target period, 100% of clients visiting Client Service Centres were attended to, and 94.80% of calls received by the Contact Centre were handled at first contact.

The GPAA also made meaningful progress in strengthening the enabling environment for service delivery. Employment equity targets were exceeded, with persons with disabilities representing 4.27% of employees, female representation at 59.98% and black representation at 92.95%. Digital communication channels reached 74.97% of clients, while Information and Communications Technology (ICT) system availability was maintained at 99.15% during required times. The implementation of enhanced cybersecurity capabilities, including the Security Operations Centre and strengthened identity and access management controls, improved the organisation's ability to monitor, detect and respond to cyber risks. These interventions support resilience, data protection and the continued availability of vital pension administration services.

Notwithstanding these achievements, areas of under-performance were experienced and are receiving management's attention. These included preferential procurement spend on women-owned businesses, payment of valid invoices within 30 working days, reducing the unclaimed benefits balance, and finalisation of the digitised funeral benefits submission process. In Programme 2, the target for GEPF death benefits paid within 60 working days was not achieved, primarily due to the impact of Two-Pot rule changes and related CIVPEN system adjustments. Corrective actions include strengthening procurement planning and market engagement, improving payment-cycle controls, resolving ICT-related payment rejections, and completing CIVPEN development and testing to enable improved death-benefit turnaround times.

From a financial governance perspective, the GPAA continued to operate within a cost-recovery funding model, with administration revenue linked to expenditure incurred in delivering services on behalf of client institutions.

The organisation reported irregular expenditure of R1.704 million confirmed during the year. Fruitless and wasteful expenditure increased by R1.957 million. Investigations and consequence management processes related to these are underway continuing in line with the Public Finance Management Act (PFMA) and applicable Treasury prescripts.

The GPAA remains committed to sound corporate governance, ethical leadership, effective risk management and robust internal control. During the year, governance structures continued to support accountability, oversight and compliance with the PFMA, PSA and other applicable legislation. Internal audit, risk management, fraud prevention, ethics management and compliance monitoring remained important pillars of assurance. The organisation also continued to strengthen occupational health and safety, employee wellness, performance alignment and internal communication, including through the Organisational and Individual Performance Review Project and the launch of internal digital communication channels.

Looking ahead, the GPAA will continue to prioritise modernisation, digital transformation and service excellence to improve access, turnaround times, transparency and client empowerment. The organisation will also continue to strengthen cybersecurity, data integrity, business continuity and organisational capacity. In addition, the GPAA is working closely with the GEPF to give effect to the Minister of Finance's approval to transfer the administration function back to the GEPF in a controlled, legally compliant and service-focused manner that safeguards continuity for employees, members, pensioners and beneficiaries.

I wish to extend my sincere appreciation to the Minister of Finance, the Deputy Ministers of Finance and National Treasury for their continued support and strategic guidance. I also thank the GEPF, the DMV, oversight structures, stakeholders and service partners for their cooperation during the year. Finally, I express my gratitude to the GPAA Executive Committee, Management Committee and all employees for their dedication, resilience and commitment to serving members, pensioners and beneficiaries with dignity and professionalism.



Stadi Mngomezulu
ACTING CHIEF EXECUTIVE OFFICER
DATE: 31 August 2026

ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of responsibility and confirmation of accuracy of the Annual Report for the year ended 31 March 2026.

I confirm that, to the best of my knowledge and belief:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and free of omissions.
- The Annual Report has been prepared in accordance with the Guidelines on Annual Reports issued by National Treasury.
- The Annual Financial Statements have been prepared in accordance with Generally Recognised Accounting Practice standards and the relevant frameworks and guidelines issued by National Treasury.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made based on the information.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance with regard to the integrity and reliability of the performance information, the human resources (HR) information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the Human Resources information and the financial affairs of the organisation for the financial year ended 31 March 2026.

Yours faithfully



Stadi Mngomezulu
ACTING CHIEF EXECUTIVE OFFICER
Government Pensions Administration Agency
31 August 2026

1. STRATEGIC OVERVIEW

1.1 Introduction

The Government Pensions Administration Agency (GPAA) is a government component and an entity of National Treasury (NT). The mandate of the GPAA is to administer pension benefits on behalf of the Government Employees Pension Fund (GEPF), a defined benefit fund that manages pensions and related benefits on behalf of government employees in South Africa. The GPAA also administers benefits on behalf of NT's Programme 7 and Department of Military Veterans (DMV). In this regard, the GPAA plays a key role in building a capable state, both as a government component and as the administrator of pension benefits for public servants.

1.2 Vision, Mission and Values

The vision, mission and values of the GPAA are indicated below.



OUR VISION

A leading customer and client-base government benefit administrator of choice.



OUR MISSION

To provide efficient benefits administration services through innovative capabilities.

OUR VALUES

Guiding our actions. Building trust. Delivering value.

01



TRANSPARENCY

We undertake to be open and accountable for effective decision-making in our engagements with all our stakeholders.

02



RESPECT

We are committed to treating everyone with dignity, equality and trust.

03



INTEGRITY

We act fairly, ethically and openly in all we do.

04



COURTESY

We treat our stakeholders and clients with consideration, compassion and kindness.

05



SERVICE EXCELLENCE

We commit to giving our clients quality service.

06



INNOVATION

Encompass new methods and ideas to improve on efficiency and service quality.

2. LEGISLATIVE AND OTHER MANDATES

2.1 Government mandate

The GPAA was established in March 2010 as a component of National Treasury (NT). Its establishment was gazetted in terms of section 7A(4) of the Public Service Act, 1994 (Proclamation No. 103 of 1994), and its finances are regulated by the Public Finance Management Act (PFMA). The GPAA administers pension funds for the GEPF, National Treasury's Programme 7 and the Department of Military Veterans (DMV). Its funding is derived from the GEPF, NT and DMV. This mandate positions the GPAA as a strategic agency supporting government's commitment to the financial security of public servants in retirement.

NT funds that are administered by the GPAA are non-contributory and relate to Post-Retirement Medical Benefits, Military Pensions, Injury on Duty (IOD) payments, Special Pensions and Military Veterans Pensions (MPV). These benefits serve to acknowledge and compensate those who dedicated their lives to the struggle for South Africa's freedom and democracy.

The GPAA mandate is also derived from the National Development Plan (NDP), which serves as a blueprint for tackling South Africa's challenges of poverty and inequality. The NDP sheds light on the capacity and developmental commitments of the state. It is implemented through the Medium-Term Development Plan (MTDP), which is cascaded to government institutions through strategic plans (SPs). As a government institution, the GPAA developed a five-year SP that was aligned to the MTDP of 2024-2029. By implementing its SP, the organisation continues to contribute to the delivery of the electoral mandate of the seventh administration of government.

The strategic goals and outcomes of the GPAA resonate with government's priority of developing an efficient, effective and development-oriented public service. The performance indicators of the GPAA are used to measure and support the achievement of the organisation's strategic outcomes, which are linked to government priorities.

2.2 Legislative mandate

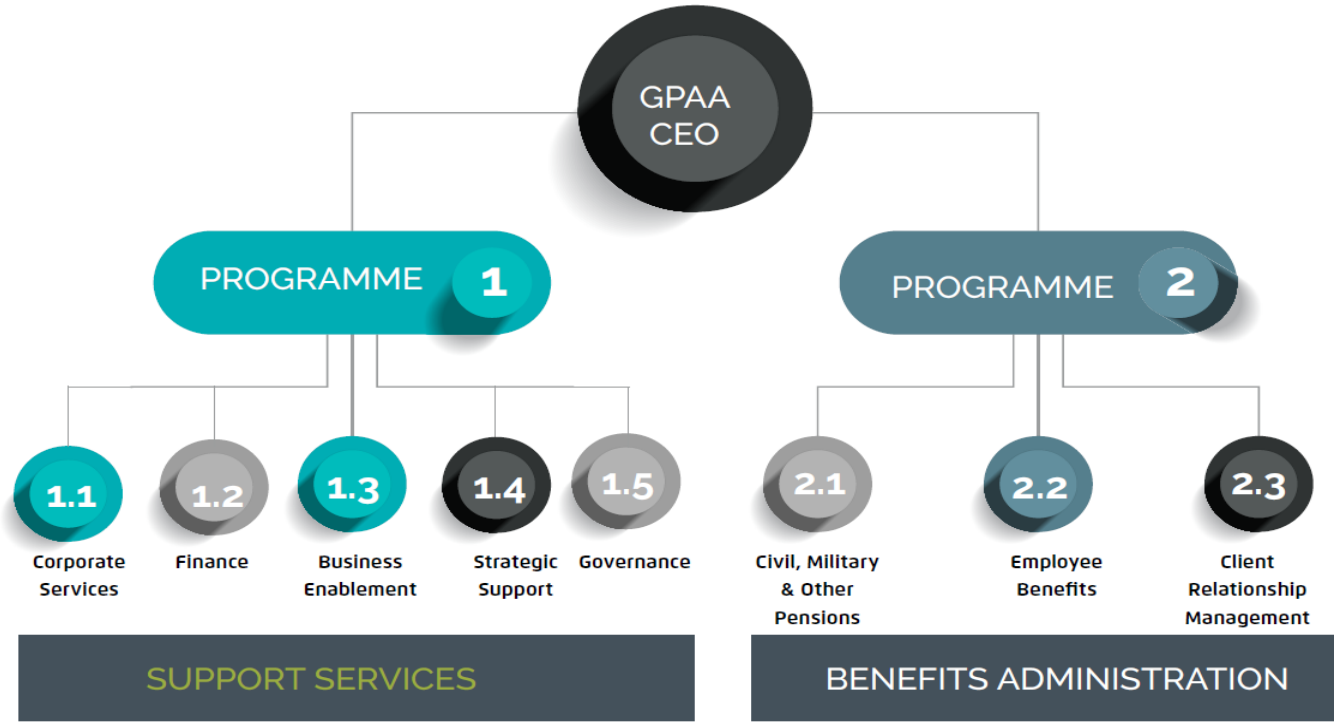
In accordance with the legislation and administrative arrangements, the GPAA reports to the Minister of Finance as its Executive Authority. The financial affairs of the organisation are governed in terms of the PFMA, while its human resources (HR) fall under the ambit of the Public Service Act.

The GPAA provides administration services to the GEPF, NT (Programme 7) and DMV - an arrangement that is regulated by service level agreements (SLAs). The GPAA administers government employee pensions and other benefits in terms of the Government Employees Pension (GEP) Law of 1996, on behalf of the GEPF and its Board of Trustees.

The organisation also administers: Post-Retirement Medical subsidies, as provided for and regulated by the Public Services Co-ordinating Bargaining Council (PSCBC); Military Pensions, in terms of the Military Pensions Act (1976); IOD payments, in terms of the Compensation for Occupational Injuries and the Diseases Act (1993); Special Pensions, in terms of the Special Pensions Act (1996); and Military Veteran Pensions in terms of the Military Veterans Act (2011).

3. STRUCTURE FOR MANAGING THE GPAA STRATEGIC PLAN AND ANNUAL PERFORMANCE PLAN

The organisational structure of the GPAA is directed by the Chief Executive Officer (CEO). The structure consists of two programmes, namely: Support Services and Benefits Administration. The two programmes are divided into eight sub-programmes, as shown in Figure 1.



PROGRAMME 1:

SUPPORT SERVICES

Programme 1 oversees the business and governance functions of the GPAA, which provides support to Programme 2 (Benefits Administration), in fulfilling the strategic objectives.

Sub-programme 1.1 - Corporate Services

This sub-programme supports the GPAA's primary functions, particularly in terms of HR. Its goal is to help the GPAA achieve its strategic objectives by managing and coordinating management support, human and physical resources, and various internal services. Key business units within HR include Labour Relations, Employee Health and Wellness (EHW), Basic Conditions of Employment, Employee Life Cycle, HR Development, Organisational Development Design, Performance Management, and Training.

Sub-programme 1.2 – Financial Services

This sub-programme oversees the financial resources required to manage pensions and other benefits, while adhering to best financial practices. It handles Unclaimed Benefits, ensuring that beneficiaries are tracked, traced and paid. Financial Services ensures compliance with financial policies, maintains accurate records, and manages cash flow for operations. It also prepares financial statements for the organisation and its stakeholders. Key business units within Financial Services are Taxation, Unclaimed Benefits, Budgets and Management Accounts, Investment Accounting, Cash Flow Management and Supply Chain Management (SCM).

Sub-programme 1.3 - Business Enablement

This sub-programme manages the GPAA's information communication technology (ICT) infrastructure, including two data centres with server, storage, and application systems, as well as local area networks (LAN) and wide area networks (WAN). It supports a national network of end-user devices such as desktops, laptops, tablets, printers and scanners. Business Enablement provides the technology and capabilities needed for the GPAA to fulfil its mandate. Key business units include Application Middleware, Business Knowledge Management, Business Support Services, Demand and Acquisition, ICT Infrastructure Management, ICT Service Configuration Management, Information Security, and Process Innovation and Modernisation.

Sub-programme 1.4 – Strategic Support

Strategic Support plans, directs and supports the GPAA to ensure that employee benefits, pensions, and retirement funds are administered according to relevant legislation and the SLAs. This sub-programme is responsible for the effective management of the GPAA, ensuring that services meet or exceed client requirements. It involves planning, oversight, stakeholder engagement and promoting government priorities. Key business units include Corporate Monitoring and Evaluation, Facilities and Security Management, Strategic Management, Project Management Office (PMO) and Communications.

Sub-programme 1.5 – Governance

The Governance sub-programme includes Internal Audit (IA), Legal and Advisory Services, Forensic and Fraud Prevention Management, and Enterprise-Wide Risk Management. It ensures that processes and advisory services are in place for effective decision-making and implementation. This sub-programme upholds principles of accountability, transparency, compliance, legality, responsiveness, effectiveness, and efficiency in the GPAA's processes and policies. It also ensures that the GPAA can withstand risks that might damage its reputation or that of its stakeholders.

PROGRAMME 2:

BENEFITS ADMINISTRATION

Programme 2 administers a range of benefits and is responsible for client relationship management (CRM). This programme consists of three sub-programmes that administer a range of benefits and provides client relationship management.

Sub-programme 2.1 – Special, Military and Other Benefits (NT)

This sub-programme encompasses non-contributory pensions funded by NT for beneficiaries from various public sector entities, based on different statutes and agreements. The sub-programme includes benefits such as Military Pensions, Post-Retirement Medical Subsidies, Special Pensions, and IOD payments. Military Pensions and IOD payments cater to military pension benefits and medical claims related to disability treatment and associated expenses, in adherence to statutory requirements.

The business units within this sub-programme include Post-Retirement Medical Benefits Administration, Military Pensions, IOD, Special Pensions, VIP Benefits, and Military Medical Accounts. Notably, the GPAA has also been appointed as the administrator of the MVP, which is important in ensuring the effective management of pension benefits for military veterans and their families. This role aligns with the DMV within the Department of Defense, which manages national policies aimed at assisting military veterans.

Sub-programme 2.2 - Employee Benefits (GEPF)

The GEPF is a contributory defined benefits pension fund administered by the GPAA, in accordance with the GEP Law of 1996. The GPAA delivers comprehensive benefits administration services, including member admissions, contribution collection, and the maintenance of members, pensioners and beneficiaries. Benefits processing begins with an application and concludes with the final payment from the Fund, thus ensuring accurate and timely benefits disbursement to GEPF members and beneficiaries. The relevant business units are Employee Benefits (EB) Operations, Membership, and Contributions.

Sub-programme 2.3 - Client Relationship Management

Client Relationship Management oversees relationships with all stakeholders, including members, beneficiaries, third parties, and employer departments, thus delivering high-quality, responsive services in line with Batho Pele principles. The CRM unit ensures fair treatment of clients in daily operations and adheres to the Treating Customers Fairly (TCF) principles. Service channels include a Contact Centre, Mobile Offices, Co-locations, and Client Service Centres, which facilitate effective interaction with the GPAA's client base to address and monitor all service requests and enquiries.

CRM also provides education and training for employers through Client Liaison Officers (CLOs) and outreach initiatives such as GEPF Day events and Pre-Retiring Member Campaigns. Additionally, CRM manages the document process, converting paper documents to electronic format and overseeing their indexing, tracking and storage to support the GPAA's core functions and business processes.



PART B

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General South Africa (AGSA) performs the necessary audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance measured against predetermined objectives is included in the report to management.

Refer to the AGSA's report published in Part F: Financial Information on pages xxx.

2. OVERVIEW OF THE GPAA's PERFORMANCE

2.1 Service Delivery Environment

The GPAA operates in the retirement fund industry and is influenced by the associated legislation. As the primary administrator of government pensions and related benefits, the GPAA plays an integral role in safeguarding income security for public servants, pensioners, beneficiaries and other vulnerable groups across South Africa.

The GPAA's client base spans diverse demographic groups, many of whom rely on pension benefits as their sole or primary source of income. As a result, timeliness, accuracy and reliability of benefit payments remain central to the service delivery outcomes.

A key development in the external policy and regulatory environment was the implementation of the Two-pot retirement system in the prior year. The GPAA successfully implemented the Two-pot system within tight legislative timelines. In the year under review, the implementation was fully operational, and withdrawals amounting to approximately R26 billion were processed, which reflects both the scale of member demand and the increased operational complexity introduced by the reform. This reform also required intensive member education, system enhancements, and staff capacity building to manage the high volume of applications while maintaining service standards.

The GPAA administers a broad portfolio of funds and schemes on behalf of the GEPF, NT Programme 7, and other statutory bodies. During the year under review, the amalgamation of the Associated Institutions Pension Fund (AIPF) and the Temporary Employees Pension Fund (TEPF) into the GPAA was completed. This consolidation strengthened administrative efficiency, reduced fragmentation, and enhanced governance oversight, while also increasing the scale and complexity of the GPAA's operations. The successful completion of this process required alignment of administrative processes, data systems and service standards across the organisation.

Furthermore, the GPAA has also been appointed as the administrator of the MVP, which is essential in ensuring the effective management of pension benefits for military veterans and their families. This role aligns with the DMV within the Department of Defense, which manages national policies aimed at assisting military veterans. This marked an important milestone in extending social protection to military veterans and their dependents. Administering the MVP introduces unique service delivery considerations, including sensitivity to the specific socio-economic circumstances of veterans, compliance with the Military Veterans Act, and coordination with the DMV. The inclusion of DMV pensions has increased the GPAA's client base and reinforced its role as a centralised administrator of government retirement and post-retirement benefits.

The combination of retirement reform, fund amalgamation and mandate expansion has increased transaction volumes, data processing requirements and stakeholder engagement demands significantly. At the same time, clients expect faster turnaround times, multiple service channels and transparent communication. The GPAA operates in an environment in which delays in benefit processing can have severe personal and social consequences for beneficiaries.

Technological change presents both risks and opportunities. Cybersecurity threats, legacy systems and data integrity challenges continue to pose operational risks, while digitisation, automation and self-service platforms offer opportunities to improve efficiency, accessibility and client satisfaction. The GPAA's modernisation initiatives, expansion of digital communication channels, mobile offices and outreach programmes are therefore essential responses to the current service delivery environment.

The GPAA's service delivery environment is characterised by high public impact, increasing operational complexity, and growing expectations in terms of responsiveness and service excellence. Legislative reforms such as the Two-pot retirement system, the successful amalgamation of AIPF and TEPF, and the expansion of services to include the administration of DMV pensions, have significantly reshaped the operating context of the organisation. Within this environment, the GPAA remains focused on strengthening systems, enhancing organisational resilience, and delivering dignified, timely, and client-centred pension administration services that contribute to social security, stability and inclusive socio-economic development.

2.2 Organisational Environment

Following the implementation of the Directive on Early Retirement in October 2025, a number of GPAA employees exited the organisation at the end of March 2026. While this resulted in a reduced staff complement in certain areas, the process was effectively managed to ensure that critical operations continue without disruptions.

The GPAA continued implementing the Organisational and Individual Performance Review Project (OIPR), which aligns organisational objectives with individual performance agreements. The project supports integrated performance management and strengthens effectiveness, accountability and service delivery.

In support of improved internal communication and staff engagement, the GPAA successfully launched its own WhatsApp communication channel, enabling faster, broader and more efficient dissemination of information to employees across the organisation.

These initiatives contributed to sustaining operational stability, strengthening performance alignment and enhancing internal communication to support effective delivery of the GPAA's mandate during this reporting period.

2.3 Key Policy Developments and Legislative Changes

The Department of Military Veterans appointed the GPAA as the administrator of the Military Veterans Pension (MVP). The MVP was paid in accordance with the Military Veterans Act, 2011 (Act No. 18 of 2011).

3. PROGRESS TOWARDS THE ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

The vision of the GPAA translates into the following impact statement: A customer and client base that is satisfied, served, valued, dignified, cared for and empowered. In order to realise this impact, a set of strategic-oriented outcomes was adopted by the organisation. In developing the strategic outcomes, the following were taken into consideration: the Minister's contract, the NDP, the GPAA's environment, various analysis methods and the intended outcomes of the Modernisation Programme. The strategic oriented outcomes are reflected in Table1.

Table 1: Impact statement and strategic oriented outcomes

IMPACT STATEMENT	PROGRAMME	OUTCOMES	OUTCOME SCORE
A customer and client base that is satisfied, served, valued, dignified, cared for and empowered.	Programme 1: Support Services	1. Optimal benefits administration support	5 of the 9 (55.55%) targets met
	Programme 2: Benefits Administration	2. Efficient member and contribution management	7 of the 7 (100%) targets met
		3. Improved benefits payment turnaround time (within set timeframes)	5 of the 6 (83.33%) targets met
		4. Efficient client service management	3 of the 3 (100%) targets met

During the year under review, the GPAA tracked 25 output performance indicators to measure progress against its strategic outcomes. As reflected in Table 1, two outcomes achieved 100% of their targets, while the remaining two achieved 55.55% and 83.33%, respectively. No outcome achieved less than 50% of its targets.

The Programme 1 and Programme 2 performance scorecards reflect the output indicators, targets, achievements and challenges for the year under review, as set out on pages 24 - 31.

Table 2 shows the organisational APP performance per sub-programme.

Table 2: Annual APP performance per sub-programme

Sub- programmes	Overall Annual Performance					
	Total Indicators	Annual Achievement	Achieved		Not Achieved	
			E	A	PA	NA
Sub Programme 1.1 Corporate Services	3	100%	3	0	0	0
Sub Programme 1.2 Finance	3	0%	0	0	3	0
Sub Programme 1.3 Business Enablement	2	50%	1	0	0	1
Sub Programme 1.4 Strategic Support	1	100%	1	0	0	0
Sub Programme 1.5 Governance	Sub Programme 1.5 does not have APP indicators for this financial year.					
Sub Programme 2.1 Civil, Military & other Pensions	9	100%	9	0	0	0
Sub Programme 2.2 Employee Benefits	4	75%	3	0	1	0
Sub Programme 2.3 Client Relations Management	3	100%	3	0	0	0
Overall Achievement	25	80%	20	0	4	1

	Exceeded (E)
	Achieved (A)
	Partially Achieved (PA)
	Not Achieved (NA)

Institutionalisation of Outcomes-Based Planning, Monitoring and Evaluation at the GPAA

As a government component, the GPAA has adopted an outcomes-based approach. Its strategic planning and performance management are structured around outcomes, while the Strategic Plan and Annual Performance Plan are guided by the GPAA Strategic Planning Framework, which supports integrated planning, budgeting, implementation, monitoring and reporting.

Progress with implementing the APP implementation was monitored in line with the GPAA Monitoring and Evaluation Framework, which supports results-based monitoring consistent with government-wide practices. The framework aligns with the Framework for Managing Programme Performance Information and the National Evaluation Policy Framework, and provides for evaluations of organisational initiatives.

Within this context, the outcomes-based approach is firmly embedded in the GPAA's planning, performance monitoring and evaluation instruments.

Performance against Strategic Outcomes

The GPAA achieved 20 of its 25 performance targets, representing 80% achievement. Key highlights included an average of 87.54% of benefits paid on time after receipt of duly completed documentation (DMV: 80.51%, GEPF: 89.16% and National Treasury: 99.99%) and 96.73% of new members admitted within the target period. In addition, 100% of clients visiting GPAA offices were assisted, and 94.80% of calls received by the Call Centre were resolved on first contact.

The GPAA administered benefits on behalf of the GEPF, which had 1 283 057 active members and 386 241 pensioners at the end of March 2026. Contributions received for the year amounted to approximately R100 billion, while benefits paid to beneficiaries amounted to R165 billion. Table 3 summarises claims administered during 2025/2026 and monthly benefit payments.

Table 3: Claims and monthly benefits paid by the Fund

CASES ADMINISTERED AND FINALISED AT THE GPAA	CASES PAID 2024/ 2025	CASES PAID 2025/ 2026
Resignation from GEPF	22 452	16 069
Retirement from GEPF	39 568	37 615
Transfer from GEPF	2 921	3 164
Beneficiaries paid due to death of members	5 738	5 061
Total	70 679	61 909
RECIPIENTS OF MONTHLY PAYMENTS FROM THE FUND	**MONTHLY PAYMENTS 2024 / 2025**	**MONTHLY PAYMENTS 2025 / 2026**
IOD payments	10 411	10 606
Post-retirement Medical Benefits	169 863	176 594
Military Pensions	4 472	4 436
Special Pensions	5 084	4 909
Other benefits	691	661
Pension benefits (GEPF)	362 097	386 241
Spouses benefits (GEPF)	174 861	180 167
Orphans benefits (GEPF)	28 263	32 830
Pension benefits (AIPF)	3 081	0
Spouses benefits (AIPF)	2 343	0
Pension benefits (TEPF)	144	0
Spouses benefits (TEPF)	99	0
Total benefits per recipient paid per month (averaged)	761 409	796 444

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The GPAA has put systems in place to report on its performance on a quarterly and annual basis. The quarterly performance reporting process is aimed at monitoring and reporting on delivery against the quarterly and annual performance targets that are set.

This section presents the performance of the GPAA against the annual targets set out in the 2025/2026 APP.

PROGRAMME 1: SUPPORT SERVICES

Purpose of the Programme

The purpose of Programme 1 is to oversee the business and governance functions of the GPAA, by providing support to Programme 2 (Benefits Administration) in fulfilling its strategic objectives.

List of Sub-Programmes

- Corporate Services
- Financial Services
- Business Enablement
- Strategic Support
- Governance

Strategic Outcomes for 2025 / 2026

- Optimal Benefits Administration

Table 4: Performance against predetermined outcomes

Outcome	Output	Output indicator	Audited actual achievement 2023/2024	Audited Actual achievement 2024/2025	
Optimal benefits administration support	Disabled employees	**1.** % of disabled employees	5.54% disabled employees as a total employees	5.21% disabled employees as a total employees	
	Female employees	**2.** % of female employees	61.12% of female employees as a total employees	59.53% of female employees as a total employees	
	Black employees	**3.** % of black employees	91.60% of black employees as a total employees	92.70% of black employees as a total employees	
	Women-owned businesses	**4.** % Total Preferential Procurement spend on Women-owned businesses	New indicator	New indicator	
	Valid invoices paid	**5.** % of accurate payment of valid invoices paid within 30 working days	100% accurate payment of valid invoices paid within 30 working days	99.93% accurate payment of valid invoices paid within 30 working days	
	Reduced Unclaimed Benefits	**6.** % reduction of unclaimed benefits balance in rands from the baseline (excluding interest)	53.10% of all amounts in Unclaimed Benefits paid (excluding interest)	52.77% of all amounts in Unclaimed Benefits paid (excluding interest)	
	Clients reached through the digital communication channels	**7.** % of clients reached through the digital communication channels	62.03% of clients were reached through the digital communication channels	70.08% of clients were reached through the digital communication channels	
	ICT systems up-time	**8.** % of time ICT system is available during required times	87.52% of time ICT system is available during required times per quarter	98.88% of time ICT system is available during required times per quarter	
	ICT Digitisation	**9.** Funeral Benefits submissions process digitised	New Indicator	New Indicator	

	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviation
	2% of disabled employees	**4.27%** of disabled employees	Target exceeded by 113.5%	The GPAA Recruitment policy is aligned to the Employee Equity Plan.
	51% of female employees	**59.98%** of female employees	Target exceeded by 17.60%	The GPAA Recruitment policy is aligned to the Employee Equity Plan.
	91% of black employees	**92.95%** of black employees	Target exceeded by 2.14%	The GPAA Recruitment policy is aligned to the Employee Equity Plan.
	40% Total Preferential Procurement spend on Women-owned businesses	**26.67%** Total Preferential Procurement spend on Women-Owned Businesses	Target missed by 33.32%	As a result of internal investigations, the procurement plan could not be implemented. This affected the number of bids issued and awarded. However, achieving a specified target will remain a challenge, as the market does not dictate or enforce specified gender ownership. An organ of state can only promote a specific gender through specific goals.
	100% of accurate payment of valid invoices paid within 30 working days	**89.59%** of accurate payment of valid invoices paid within 30 working days	Target missed by 10.41%	Payment delays occurred due to changes in Corporate Finance management and adjustments to the GEPF standard operating procedure (SOP), which disrupted the scheduled payment runs during that period.
	35% reduction of unclaimed benefits balance in rands from the baseline (excluding interest)	**27.80%** reduction of unclaimed benefits balance in rands from the baseline (excluding interest)	Target missed by 20.57%	The high increase of unclaimed benefits transferred into the account. Also experienced AHV5 rejection payments that did not go through the payment run during Q3 and Q4.
	70% of clients reached through the digital communication channels	**74.97%** of clients reached through the digital communication channels	Target exceeded by 7.1%	Increase in the number of Self-Service users.
	97% of time ICT system is available during required times	**99.15%** of time ICT system is available during required times	Target exceeded by 2.21%	ICT monitoring of applications and ICT service management implemented to attend to tickets logged and actioned by the ICT team.
	Funeral Benefits submissions process digitised	Digitisation has not been finalised yet	Digitisation has not been finalised yet	Funeral benefit submission on self-service is still in User Acceptance Testing (UAT) phase and not signed off yet.

Strategies to overcome areas of under-performance

Table 5 details the strategy to be implemented to overcome under-performance against the targets not achieved for the Optimal benefits administration support outcome.

Table 5: Outcome: Optimal benefits administration support

Output	Output indicator	Strategy to overcome areas of under-performance
Women-owned businesses	% Total Preferential Procurement spend on women-owned businesses	Proactive action is required to keep all relevant information ready and accessible.
Valid invoices paid	% accurate payment of valid invoices within 30 working days	Ensure that the GEPF cash flow projection SOP is submitted at least ten days prior to month end to avoid disruption of payment cycles.
Reduced Unclaimed Benefits	% reduction of unclaimed benefits balance in rands from the baseline (excluding interest)	ICT engaged to resolve the problem.
ICT Digitisation	Funeral Benefits submissions process digitised	Demo set up in Q1 of the 2026/2027 financial year to ensure user buy-in and acceptance to proceed.

Linking Performance to Budgets

The budget expenditure that supported the performance of Programme 1 is shown in Table 6.

Table 6: Linking performance to budget

Programme 1: SUPPORT SERVICES	2024/2025			2025/2026		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	**452 722**	**504 932**	**-52 210**	**1 097 939**	**936 622**	**161 317**

Achievements

Key achievements that were enabled by the budget are detailed below.

A reduction in the rand balance of the Unclaimed Benefits account by 27%; while 89% of invoices were paid within 30 days.

Implementation of the GPAA Recruitment Policy that is aligned to the Employee Equity Plan, to ensure that by the end of the year under review, the organisation could report 4% employees with disabilities, 59% female employees and 92% black employees.

Reaching 74% of clients through digital communication channels and ensuring that 99% of ICT systems were available during required times.

PROGRAMME 2: BENEFITS ADMINISTRATION

Purpose of the Programme

The purpose of Programme 2 is to administer contributory and non-contributory benefits to the clients of the GEPF and NT, and to manage client channels and customer relationships with both national and provincial government departments.

List of Sub-Programmes

- Special, Military and Other Benefits (NT)
- Employee Benefits (GEPF)
- Client Relationship Management

Strategic Outcomes for 2025 / 2026

- Efficient member and contribution management
- Improved benefits payment turnaround time (within set timeframes)
- Efficient client service management

Table 7: Performance against predetermined outcomes

Outcome	Output	Output indicator	Audited actual achievement 2023/2024	Audited actual achievement 2024/2025	
Efficient client service management	Satisfied clients	**10.** % of client satisfaction levels	94.50% of client satisfaction levels	95.04**%** of client satisfaction levels	
	Handled calls	**11.** % of first contact calls handled	99.08% of first contact calls resolved, versus calls answered, excluding escalated calls	94.22% of first contact calls resolved, versus calls answered, excluding escalated calls	
	Visitors Serviced	**12.** % of visitors serviced	99.79% of visitors serviced versus number of visitors	100% of visitors serviced versus number of visitors	
Efficient member and contribution management	Admitted members (NT)	**13.** % of NT members with duly completed documents admitted within 14 working days	99.98% of NT members admitted within 14 working days	99.78% of NT members admitted within 14 working days	
	Admitted members (GEPF)	**14.** % of GEPF members with duly completed documents admitted within 14 working days	100% of GEPF members admitted within 14 working days	100% of GEPF members admitted within 14 working days	
	Received and reconciled GEPF contributions	**15.** % of GEPF contributions reconciled by the 22nd of the month	99.95% of GEPF contributions received and reconciled by the 22nd of the month	99.88% of GEPF contributions received and reconciled by the 22nd of the month	
	Maintained NT clients' records	**16.** % of NT clients records maintained within 21 working days	99.97% of NT client records maintained within 21 working days	99.97% of NT client records maintained within 21 working days	
	NT suspended pensioners (overseas) reinstated	**17.** % of NT suspended foreign or manual pensioners reinstated within 21 working days after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	
	NT membership certificate issued	**18.** % of NT membership certificates issued within 30 working days of admission	100% of NT membership certificates issued within 30 working days of admission	100% of NT membership certificates issued within 30 working days of admission	
	Admitted DMV members	**19.** % of DMV members duly completed documents admitted within 45 working days	New Indicator	New Indicator	

	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviation
	90% of client satisfaction levels	**95.98%** of client satisfaction levels	Target exceeded by 6.64%	Constant monitoring of services rendered.
	80% of first contact calls handled	**94.80%** of first contact calls handled	Target exceeded by 18.50%	The aim was to drive the efficiency rating and achieve the required service level
	90% of visitors serviced	**100%** of visitors serviced	Target exceeded by 11.11%	Constant monitoring of services rendered.
	99% of NT members with duly completed documents admitted within 14 working days	**100%** of NT members with duly completed documents admitted within 14 working days	Target exceeded by 1.01%	Monitoring and support by management
	98% of GEPF members with duly completed documents admitted within 14 working days	**100%** of GEPF members with duly completed documents admitted within 14 working days	Target exceeded by 2.04%	Active production management plans in place and constant monitoring.
	97% of GEPF contributions reconciled by the 22nd of the month	**99.88%** of GEPF contributions reconciled by the 22nd of the month	Target exceeded by 2.96%	Well-defined process; timeous raising of collections and reconciliation of contributions
	99% of NT clients records maintained within 21 working days	**100%** of NT clients records maintained within 21 working days	Target exceeded by 1.01%	Monitoring and support by management
	99% of NT suspended foreign or manual pensioners reinstated within 21 working days after receipt of Life Certificates	**100%** of NT suspended foreign or manual pensioners reinstated within 21 working days after receipt of Life Certificates	Target exceeded by 1.01%	Monitoring and support by management
	99% of NT membership certificates issued within 30 working days of admission	**100%** of NT membership certificates issued within 30 working days of admission	Target exceeded by 1.01%	Monitoring and support by management
	65% of DMV members duly completed documents admitted within 45 working days	**85.38%** of DMV members duly completed documents admitted within 45 working days	Target exceeded by 31.35%	Monitoring and support by management

Outcome	Output	Output indicator	Audited actual achievement 2023/2024	Audited actual achievement 2024/2025	
Improved benefits payment turnaround time (within set timeframes)	NT Death benefits paid	**20.** % of NT Death benefits with duly completed documents paid within 60 working days	100% of NT Death Benefits paid within 60 working days after duly completed documents were received	100% of NT Death Benefits paid within 60 working days after duly completed documents were received	
	Paid GEPF benefits	**21.** % of GEPF benefits paid within 45 working days of liability date (excluding death claims and claims paid to unclaimed accounts)	94.05% GEPF benefits paid within 45 working days liability date, excluding death benefits after receipt of duly completed documents	89.57% GEPF benefits paid within 45 working days liability date, excluding death benefits after receipt of duly completed documents	
	Paid NT benefits	**22.** % of NT benefits with duly completed documents paid within 20 working days (excluding death benefits)	99.99% of NT benefits paid within 20 working days after receipt of duly completed documents (excluding death benefits)	99.99% of NT benefits paid within 20 working days after receipt of duly completed documents (excluding death benefits)	
	Paid GEPF death benefits	**23. %** of GEPF Death benefits paid within 60 working days of liability date	74.29% of GEPF Death Benefits paid within 60 working days of liability date, after duly completed documents were received	73.11% of GEPF Death Benefits paid within 60 working days of liability date, after duly completed documents were received	
	Paid DMV Death benefits	**24.** % of DMV Death benefits with duly completed documents paid within 60 working days	New indicator	New indicator	
	Paid DMV benefits	**25**. % of DMV benefits with duly completed documents paid within 30 working days (excluding death benefits)	New indicator	New indicator	

	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviation
	90% of NT Death benefits with duly completed documents paid within 60 working days	**100%** of NT Death benefits with duly completed documents paid within 60 working days	Target exceeded by 11.11%	Monitoring and support by management
	80% of GEPF benefits paid within 45 working days of liability date (excluding death claims and claims paid to unclaimed accounts)	**89.16%** of GEPF benefits paid within 45 working days of liability date (excluding death claims and claims paid to unclaimed accounts)	Target exceeded by 11.45%	Active production management plans in place and constant monitoring
	91% of NT benefits with duly completed documents paid within 20 working days (excluding death benefits)	**99.99%** of NT benefits with duly completed documents paid within 20 working days (excluding death benefits)	Target exceeded by 9.87%	Monitoring and support by management
	50% of GEPF Death benefits paid within 60 working days of liability date	**47.75%** of GEPF Death benefits paid within 60 working days of liability date	Target missed by 4.5%	The implementation of the Two-Pots process slowed down the process of paying death claims as usual. CIVPEN is not adjusted yet to pay death claims from 1 Sept 2024 (date when Two-pot was implemented) onwards
	75% of DMV Death benefits with duly completed documents paid within 60 working days	**100%** of DMV Death benefits with duly completed documents paid within 60 working days	Target exceeded by 33.33%	Monitoring and support by management
	80% of DMV benefits with duly completed documents paid within 30 working days (excluding death benefits)	**80.51%** of DMV benefits with duly completed documents paid within 30 working days (excluding death benefits)	Target exceeded by 0.63%	Monitoring and support by management

Strategies to overcome areas of under-performance

Table 8 provides an indication of the strategies to be implemented to overcome under-performance against the targets not achieved for one outcome.

Table 8: Outcome: Improved benefits payment turnaround time (with set timeframe).

Output	Output Indicator	Strategies to overcome areas of under-performance
Paid GEPF death benefits	% of GEPF death benefits paid within 60 working days of liability date.	The CIVPEN system development and testing will be finalised to accommodate the new Two-Pot GEP rules, to enable the GPAA to pay death benefits on time.

Linking Performance to Budgets

The budget expenditure that supported the performance of Programme 2 is shown in Table 9.

Table 9: Linking performance to budget

Programme 2: BENEFITS ADMINISTRATION	2024/2025			2025/2026		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	**1 017 727**	**1 066 466**	**-48 739**	**519 549**	**476 567**	**42 981**

Achievements

The key achievements that were enabled by the budget are indicated below.

The TEPF and AIPF were successfully amalgamated into the GEPF, with member information updated accordingly, contributions collected as required, and due benefits paid as part of the GEPF administration services.

On average, the organisation paid 87% of benefits within the legislated timeframes after receipt of duly completed documentation: DMV - 80.51%; GEPF - 89.16%; NT - 99.99%.

All clients (100%) who visited the GEPF Client Service Centres across the country were attended to, while 94% of calls that were received by the Call Centre were handled on first contact.

GEPF member contributions were collected and reconciled successfully. On average, 99% of all contributions were reconciled by the 22nd of each month.

1. REVENUE COLLECTION

Table 10 details the revenue collected for the financial year.

Table 10: Revenue collection

2024/2025				2025/2026		
Source of revenue	**Estimate**	**Actual Amount Collected (Re-stated)**	**(Over)/Under Collection**	**Estimate**	**Actual Amount Collected**	**(Over)/Under Collection**
	R'000	R'000	R'000	R'000	R'000	R'000
Administration services	1 537 124	1 731 321	(194 197)	1 617 487	1 245 447	372 040
Other income	-	8 850	(8 850)	-	8 173	(8 173)
Total	**1 537 124**	**1 740 171**	**(203 047)**	**1 617 487**	**1 253 620**	**363 867**

GPAA fees are charged on a cost recovery basis, as per agreement with the GEPF, NT and DMV. The decrease is the result of reduced expenditure incurred in the current financial year.

2. CAPITAL INVESTMENT

Table 11 shows expenditure on Capital Investments for the financial year.

Table 11: Capital Investment

2024/2025				2025/2026		
Infrastructure projects	**Budget**	**Actual Expenditure (Restated)**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	R'000	R'000	R'000	R'000	R'000
Total	**188 341**	**203 854**	**(15 513)**	**126 090**	**56 237**	**69 853**

Spending on capital investments resulted from a delay in approving the adjustment budget by the GEPF and related procurements.



PART C

GOVERNANCE

1. INTRODUCTION

Effective corporate governance structures and practices, supported by a sound system of internal controls, are fundamental to the GPAA's ability to fulfil its mandate and to remain accountable to the GEPF, NT and the public. In this regard, the GPAA has established and maintained systems and processes to promote effective risk management, prevent and detect fraud and corruption, manage conflict of interest, ensure compliance with the Public Service Code of Conduct, and promote accountable management and a robust IA function. This section details the frameworks and policies that form the pillars of the GPAA's corporate governance arrangements, which have been developed and implemented in accordance with the relevant legislative frameworks.

2. PORTFOLIO COMMITTEES

As a component of NT, the GPAA is overseen by Parliament through the Portfolio Committees (PCs).

No key issues were raised by the PCs.

3. EXECUTIVE AUTHORITY

The CEO of the GPAA submits reports to the Deputy Minister of Finance on a quarterly basis and reports to the NT Entity Oversight unit for the Minister.

The Minister of Finance provided approval for the disestablishment of the GPAA and the administration function to be performed under the GEPF.

4. RISK MANAGEMENT

The GPAA maintains an enterprise-wide risk management policy and frameworks that are aligned to the organisation's strategic outcomes, so as to ensure that risk considerations are embedded across all levels of operations and decision-making. Risk identification, assessment and monitoring are conducted in accordance with the principles of ISO 31000 (the international standard for risk management).

Risks are continuously monitored using a combination of quarterly reviews, key risk indicator tracking and management reporting, to ensure that the status of each risk and the effectiveness of controls are regularly evaluated and escalated where necessary. Key strategic risks facing the GPAA include timely payment of benefits, change management, stakeholder pressure, technology and cyber risks, competition risks and vacancies in key and senior leadership positions.

The Risk Management Committee (RMC) provides strategic oversight by advising management on the overall system of risk management, with particular focus on the mitigation of risks assessed as being outside the GPAA's risk appetite.

The Audit Committee (AC) independently monitors the effectiveness of risk management matters, thereby strengthening the governance architecture within which risk is managed.

The concerted effort applied to the management of identified risks has translated into measurable improvements in overall organisational performance. Through proactive risk mitigation, escalation protocols and accountability mechanisms embedded in the risk management cycle, the GPAA has been able to reduce exposure in ways that directly enhance service delivery and stakeholder confidence.

5. INTERNAL AUDIT AND AUDIT COMMITTEE

5.1 Internal Audit Unit

The objectives of IA are to review the adequacy and effectiveness of the management systems of internal controls, risk management and governance processes to ensure that:

- laws, regulations and contracts are complied with;
- operations are effective and efficient;
- financial and operational information is reliable;
- assets are properly safeguarded.

The key activities are:

- Prepare a flexible three-year Rolling Strategic Internal Audit Plan and Annual Audit Plan for approval by the AC using an appropriate risk-based methodology, including any risk or control concerns identified by relevant stakeholders.
- Evaluate and assess significant governance risk management and control services, processes, operations and control processes, as per the approved Annual Internal Audit Plan.
- Perform consulting services, where applicable, to assist management in meeting its objectives. Examples include facilitation, process design, training and advisory services.
- Maintain professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of the organisation and its charter.
- Report quarterly to the AC and management and provide a summary of the results of audit activities and details of performance against the Annual Audit Plan, to allow effective monitoring and possible intervention.
- Keep the AC informed of emerging trends and successful practises in Internal Auditing.
- Co-ordinate with internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort in terms of Section 3.2.10 of the Treasury Regulations.
- Establish a quality assurance programme by which the Chief Audit Executive (CAE) can assure compliance with auditing standards.

5.2 Summary of work done

Type	Planned Audits	% Completed	% Not Completed
Assurance reviews 2025/2026			
Regularity Audit	8	87.50%	12.50%
Performance Audit	2	100%	0%
Information Technology (IT) Audit	2	50%	50%
Total	**12**	**83.33%**	**16.66%**

Note: *Expiration of the IA service providers panel and delays in the appointment of the new panel resulted in two audits (1 in IT, 1 in Regularity) not being finalised on time.*

Type	Planned Audits	% Completed	% Not Completed
Follow-up reviews 2025/2026			
Regularity Audit	4	100%	0%
Performance Audit	4	100%	0%
IT Audit	4	50%	50%
AG Register	2	100%	100%

Note: *There was no resource in IT audit for Q1 &2.*

5.3 Audit Committee

Audit Committee Objectives

To review the adequacy and effectiveness of the actions taken by the various parties in discharging the committee's oversight responsibilities in terms of the:

- integrity of the GPAA's financial statements
- internal and external auditor's qualifications and independence
- performance of the GPAA's IA function and external auditors
- effectiveness of internal controls
- GPAA's compliance with legal and regulatory requirements
- identification of material risks that may affect the corporate, and the implementation of appropriate measures to manage such risks

Activities in relation to Internal Auditing

- The committee examines the appointment, replacement, reassignment or dismissal of the CAE, and reviews the mandate, annual audit plan and resources of the IA function.
- The committee meets the CAE to review the results of IA activities, including any significant issues reported to management by the IA function and management responses and or corrective actions.
- The committee reviews the performance, degree of independence and objectivity of the IA function and the adequacy of the internal audit processes.
- The committee reviews any issues that are brought forward by the CAE, including any difficulties encountered by the IA function, such as audit scope limitations, access to information and staffing restrictions.
- The committee ensures the effectiveness of the coordination between IA and the external audit.

Name	Qualifications	Internal or external	If internal, position at the GPAA	Position on the Committee	Date appointed	Date resigned	Number of meetings attended
Ms P Mzizi	CA (SA) BCompt (Hons), CTA (Hons), BCom (Hons) in Transport Economics, BBus.Sci in Finance	External	None	Chairperson	1 October 2021	N/A	11 of 11
Mr F Sinthumule	Diploma in State Finance and Auditing, BCom, MBA with special projects in PFMA	External	None	Member	1 July 2022	N/A	11 of 11
Mr M Geswint	NT employee appointed temporarily by the Minister	External	None	Member	1 October 2022	N/A	6 of 11
Prof. D P van der Nest	BCom Accountancy, BCom (Hons), MCom, DTech	External	None	Member	1 June 2024	N/A	11 of 11

6. COMPLIANCE WITH THE LAW AND OTHER REGULATIONS

The GPAA was established as a government component (in terms of Proclamation No. 10 of 26 March 2010) to administer pensions on behalf of the GEPF and NT. To fulfil its mandate, the GPAA operates within a comprehensive legislative framework which includes, the GEP Law,1996, which regulates the administration and payment of GEPF pension benefits, the PFMA, 1999, and various other pieces of legislation related to the civil and military pension funds and post-retirement medical scheme arrangements. In addition, it must comply with all applicable laws of the Republic of South Africa.

The GPAA has developed and reviewed a compliance framework and various internal policies and monitored compliance with various applicable laws through legal compliance audits that are conducted annually. The policies have been developed in response to audit findings, and to enhance compliance and good governance in the organisation.

The GPAA is subject to oversight through both IA processes and external audits conducted by AGSA, providing assurance on the organisation's compliance with laws, regulations and prescribed governance standards.

7. FRAUD AND CORRUPTION

In compliance with Treasury Regulation 27.2.1 of the PFMA, the GPAA has developed a Fraud Prevention Strategy.

The purpose of the Fraud Prevention Strategy is to foster a positive change in the attitudes of employees, external service providers, and suppliers toward fraud and corruption, and to promote ethical conduct within the Agency. The GPAA has an approved Fraud Prevention Plan that guides IA priorities, determines required managerial and staff competencies, strengthens internal controls, and ensures the effective management of identified fraud risks.

The Fraud Prevention Plan's primary objective is to ensure that all employees and management conduct themselves legally, ethically, and in a manner that serves the public interest.

During the period under review, the following key action plans outlined in the Fraud Prevention Plan were implemented:

- anti-fraud and anti-corruption awareness initiatives
- fraud risk assessments and reviews in fraud-prone areas
- data extraction and analysis, using fraud detection tools to enhance fraud detection and prevention

Mechanisms in Place to Report Fraud and Corruption and how these operate

The GPAA has established effective mechanisms to enable confidential reporting of suspected fraud, corruption, or irregularities. A whistle-blowing hotline, managed by an independent service provider (Vuvuzela Hotline), is in place to receive reports from employees, pensioners, members of the public, and service providers.

The GPAA has an approved Whistle-Blowing Policy, which allows for protected disclosures in terms of the Protected Disclosures Act, as amended.

The dedicated GPAA reporting channels are as follows:

- Hotline: 0800 203 900
- SMS (xxx) Facility: 30916
- Email: gepf@thehotline.co.za
- Web-based Reporting: www.thehotline.co.za
- Walk-ins: GPAA Head Office, Regional Offices, and Internal Business Units

In addition, the GPAA promotes the use of the National Anti-Corruption Hotline, administered by the Public Service Commission (PSC):

- Hotline: 0800 701 701 (toll-free)

How these cases are reported and what action is taken

All reported allegations of fraud, corruption, or irregularities are analysed, captured in the case management register, and allocated a reference number. The GPAA has internal investigative capacity to investigate fraud-related matters, and the internal capacity is augmented by a panel of external service providers.

Depending on the nature of the allegation, the following action may be taken:

- Internal investigation by GPAA investigators
- Referral to relevant external law enforcement agencies
- Investigation by outsourced external service providers

All investigations are conducted in accordance with established investigation methodology, acceptable investigative practices, and within applicable legal parameters.

Upon finalisation of internal investigations:

- All suspected fraud and corruption cases are referred to the South African Police Service (SAPS) for criminal investigation, regardless of the monetary value involved.
- Matters relating to employee misconduct are referred to Labour Relations Unit for the necessary remedial action.

8. MINIMISING CONFLICT OF INTEREST

All SCM practitioners are required to complete an e-Disclosure referenced, financial disclosure. In addition, as part of the SCM SOP, all practitioners are required to, along with appointed SCM Bid Committee members, declare any interest in items and/or companies being discussed in the meeting which may be under consideration, or which may have submitted responses to published bids and quotations. These declarations are done prior to the meeting commencing. All employees are also required to declare other forms of income through an HR process, which would contribute to minimising potential conflict of interest. In general, the SOP promotes segregation of duties which also minimises conflict of interest in the broader sense.

In the event where an SCM practitioner declares a conflict of interest, the practitioner is recused from further participation in the meeting. The interest would also be included in the minutes, and the meeting would continue without the presence of the practitioner.

9. CODE OF CONDUCT

The GPAA regards its Code of Conduct and Ethics policy as an important pillar in the promotion of good governance and ethical conduct. This forms part of the Department of Public Service and Administration's (DPSA) Integrity Management Framework, which plays an important role in dealing with the issue of ethics and corruption in the public service in general, and at the GPAA in particular. Various mechanisms and systems are in place to monitor compliance with the Public Service Code and Service Charter at the GPAA.

During the period under review, the following was done:

- The declaration of interest (processed through the DPSA e-Disclosure System) and verification of various levels of staff were implemented and registered.
- A gift register for declared gifts was established and maintained.
- Compliance with the Public Service Code of Conduct was monitored, and cases of non-compliance were reported to the Labour Relations unit for handling and consequence management, where applicable.
- An ethics risk awareness campaign was conducted at Head Office and the regional offices to promote an ethical culture at the GPAA.
- Requests for other remunerative work (ORW) outside the Public Service were received, assessed and granted to officials by the CEO, as required by the Public Service Regulations 2016 (PSR, 2016) and DPSA Directives.

The process followed when there is a breach of the Code of Conduct is as follows:

- If a breach of the GPAA Code of Conduct is identified, it is remedied, and consequence management is implemented in accordance with the DPSA's Public Service Disciplinary Code of Conduct.
- The normal PSR and consequence management process are implemented by the HR section. Disciplinary steps and action to remedy the misconduct are taken. The registers of misconduct and disciplinary action taken are reported in Part D of this Annual Report under HR matters.
- Staff empowerment was achieved through training and awareness, which is an ongoing process that is used as a preventive measure and to promote good conduct.
- The ethics awareness and engagement sessions will continue in the next financial year to inculcate an ethical culture, as envisaged in the government's priorities.

10. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Annual Employee Health and Wellness Operational Plan and Report is meant to clarify the role and responsibilities of the GPAA and its related stakeholders. These include Occupational Hygienists, Ergonomists, Occupational Health Practitioners / Specialists, Environmental Management Practitioners, Medical Aid Schemes, Health Risk Assessment Companies, EHW Service providers, Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR) Coordinators, Labour, Civil Society Organisations (Community Based Organisations (CBO) and wellness management (WM) experts)). It is also meant to strengthen ownership and accountability, improve measurement of programme achievements, strengthen resources mobilisation, improve implementation and enhance performance.

The Operational Plan and Report include the following components:

- Identifying the high-level results indicated in the M&E Plan.
- Aligning the EH&W response of the GPAA to contribute towards achieving the high-level service delivery improvement results identified.
- Prioritisation and sequencing of activities to achieve outputs that contribute towards achieving high level results.
- Determining the operational cost of EH&W interventions and related budget and addressing gaps between cost and budget when mobilising external support, including funding. This exercise should be done using the costing model aligned with the Treasury requirements for planning and budgeting.
- Improving performance through better use of strategic information.

11. AUDIT COMMITTEE REPORT

11.1 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the Committee and GPAA management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal Audit (IA) implemented its annual risk-based audit plan for the 2025/26 period as part of a three-year rolling plan, after consultation with management and approval by the Audit Committee. There were twelve (12) assurance audits planned for the current year. Ten were completed, which translates to 83.33% completion of the approved 2025/26 Internal Audit annual plan. All audit engagements and other work of Internal Audit were executed in accordance with the International Professional Practice Framework of Internal Audit (IPPF), 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) of the PFMA and Treasury Regulations. The committee performs an oversight and advisory role to the GPAA and is accountable to the Accounting Officer, the Executive Authority and to 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 and Accounting Officer to fulfil their oversight responsibilities in respect of financial reporting, risk management, the system of internal control, the audit process, and the department's process for monitoring compliance with laws, regulations and the code of conduct. The committee also has the primary responsibility of forming an opinion on the effectiveness of the management of the issues within its ambit and communicating these in the Annual Report.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in department	Date appointed	Date resigned	No. of meetings attended
Ms Pumla Mzizi (Chairperson)	BCom Honours in Transport Economics; CA(SA); BCompt Honours, Certificate in Theory of Accounting; BBusSci Finance Honours	External	N/A	1 October 2018	N/A	11 of 11
Mr Freddy Sinthumule	MBA; BCom Accounting; Dip Finance and Auditing	External	N/A	16 July 2019	N/A	11 of 11
Ms. M Geswint	B. Admin (Majors: Public Admin & Economics) B. Admin (Hons) Economics	(Internal NT)	Chief Director for Country and Thematic Analysis	24 May 2022	N/A	6 of 11
Prof DP Van Der Nest	BCom Accountancy, BCom (Hons), MCom, DTech	External	N/A	1 June 2024	N/A	11 of 11

11.2 REPORT BY AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2026.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it adopted the appropriate formal terms of reference of its Audit Committee Charter; that it regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except for reviewing changes in accounting policies and practices.

Internal Audit

The Accounting Officer is obliged, in terms of the Public Finance Management Act, 1999, 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 approved a risk based three-year rolling Strategic Plan and an Annual Internal Audit Coverage Plan for the period 1 April 2025 to 31 March 2026. Twelve (12) audits were planned and ten (10) were completed during the year under review. Based on the overall opinion expressed on the audits conducted and finalized for the 2025/26 financial year, the control environment Needs Improvement.

The Audit Committee reviewed all Internal Audit reports and is satisfied with the activities of the Internal Audit function, including its annual work programme, coordination with external auditors, and management's responses to specific recommendations. The Audit Committee is also satisfied that Internal Audit maintains an effective internal quality assurance programme covering all aspects of its activities. The external quality assessment review confirmed a general conformance rating for Internal Audit's work, allowing the function to state that it "conforms with the International Standards for the Professional Practice of Internal Auditing". The Audit Committee received assurance that the Internal Audit unit adopted the new Global Internal Audit Standards (GIAS), issued by the Institute of Internal Auditors, in January 2025. The Committee is therefore of the view that Internal Audit is independent, provides objective assurance and consulting services designed to add value and improve the entity's operations, and remains effective.

Risk Management

Management is responsible for the establishment and maintenance of an effective system of governance, risk management, internal control, as well as the prevention and detection of fraud. Internal Audit was guided by the risk profile provided by management, as well as critical audit areas and management's inputs in the formulation of its three-year strategic and annual plans.

The risk register is updated quarterly to ensure that all the major risks, including emerging risks facing the organization, are effectively managed. The committee monitors management's implementation of its risk management plans on a quarterly basis through the Risk Committee. The Committee is satisfied with the effectiveness of risk management.

Compliance With Legal and Regulatory Provisions

The committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act and is satisfied that no material deviations were noted. The committee noted management's policies and procedures to ensure compliance with the applicable laws and regulations.

The Effectiveness of Internal Control

The committee considered all the reports issued by the various assurance providers such as Internal audit and AGSA, Risk Committee, etc. and noted management's actions in addressing the identified control weaknesses. The committee is concerned with the lack of implementation of the recommendations of both internal and external audit. From the various reports provided by Internal Auditors, as well as the audit report of the Auditor-General South Africa (AGSA) it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to compliance with laws and regulations.

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements and Annual Performance Report prepared before submission to the AGSA. We have further reviewed the audited Annual Financial Statements and Performance Report for inclusion in the Annual Report.

ICT Governance

Information and Communication Technology (ICT) governance remains a primary and key focus for GPAA, and the Committee is responsible for ICT governance. The Committee reviews the quarterly reports, which include the results of all reviews and testing conducted by internal audit. Cyber security is a key component of ICT governance. The Committee has concluded that the ICT control environment requires improvements which will start with the implementation of the internal audit and AGSA recommendations.

Auditor General's Report

The committee has reviewed the independence and objectivity of the AGSA and noted that there was no non-audit services rendered by them during the year. We have also reviewed management's responses to the issues raised in the management report. Continuous oversight will be exercised to ensure that the unresolved findings are adequately addressed.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General.

Appreciation

We would like to express our appreciation to the Minister of Finance, DG of National Treasury, acting Chief Executive Officer of the GPAA for his leadership and support; Internal Audit, AGSA and to management for their commitment and cooperation.

Pumla Mzizi CA(SA)

Ms Pumla Mzizi CA(SA)

Chairperson of the Audit Committee

Government Pensions Administration Agency

12. B-BBEE COMPLIANCE

Compliance with the requirements of the Broad-Based Black Economic Empowerment (B-BBEE) Act, determined by the Department of Trade and Industry, is reflected in the table below.

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	No	
Developing and implementing a Preferential Procurement Policy?	Yes	The SCM Policy includes a section covering the Preferential Procurement Policy of the GPAA that was approved in April 2023. All bids and quotations issued are aligned with the GPAA's Preferential Procurement Policy, which allows for points to be claimed based on specified categories of people.
Determining qualification criteria for the sale of state-owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The organisation's operations were significantly constrained during the moratorium as vacant positions could not be filled. However, the GPAA received approval from DPSA to fill 146 positions at level 6 and to date, 117 positions have been filled. The other areas of the Human Resources Management (HRM) business continued as planned. Details of all the achievements, opportunities and the impact that the Human Resources Administration, Development and Management units had during the year are provided below.

2.1 HR Priority and the Impact Thereof

The priority was to implement the approved GPAA structure to enable the organisation to achieve its set objectives.

The successful roll-out of the GPAA HR automation programme (recruitment, leave management and performance management) will result in digital transformation in HR. The roll-out will be completed in the 2026/2027 financial year.

2.2 Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

The organisation applied the Employment Equity (EE) Deviation agreement in ensuring that skilled and suitably qualified employees were retained during the period under review.

A Talent Management Strategy was implemented to ensure that retained talent is nurtured towards assisting the organisation to achieve the desired objectives.

2.3 Employee Performance Management Framework

The Employee Performance Management Framework was developed and implemented, as directed by the DPSA.

In understanding the performance culture of the GPAA, the Performance Management Development System (PMDS) sub-unit began conducting research that will assist the organisation to develop well-informed performance goals.

2.4 Employee Wellness Programme

The EHW Programme achieved the following in the year ending March 2026:

- An Occupational Health and Safety compliance audit was conducted and concluded at 14 GPAA offices
- Members of the Safety, Health, Environment, Risk and Quality (SHERQ) Management Committee were appointed
- Eighty-nine (89) SHERQ representatives were appointed
- Eighty-four were trained in First Aid, Evacuation and Firefighting
- OHS Act 85:1993, section 16.2 Appointee was appointed by the CEO, who is the section 16.1 Appointee
- The SHERQ Management Policy was reviewed and approved.

2.5 Policy development

The following policies were approved for HRM:

- Job Evaluation (JE) Policy
- The reviewed Employment Equity Policy
- Gender Policy ratified at the Departmental Bargaining Chamber (DBC)
- SHERQ Management Policy
- Health and Productivity Management (HPM) Policy
- Wellness Management Policy
- HIV/AIDS and TB Management (HATM) Policy
- The reviewed Working Hours Policy
- The reviewed PERSAL Policy
- The reviewed Overtime Policy

3. HIGHLIGHTS AND ACHIEVEMENTS

The following highlights and key achievements are reported for the financial year under review:

- EE Act compliance
  - The target of 51% for females was exceeded by 17.60%, i.e. 59.98%
  - The target of 91% blacks was exceeded by 2.14%, i.e. 92.95%.
  - The target of 2% people with disabilities was exceeded by 113.5%, i.e. 4.27%
  - The EE plan for 2025-2030 was compiled and submitted to the Department of Employment and Labor (DEL)
  - The EE report was compiled and submitted to the DEL
- Gender mainstreaming was implemented.
  - The Disability Forum was successfully established as a formal transformation structure
- Harassment Policy awareness sessions were held and reached 40% of the staff
- The change network was established to ensure full support of projects.
- Automation of the GPAA HR system (leave system, e-recruitment and performance management) commenced.
- Mandatory physical verification of employees as determined by the Minister of the DPSA was successfully conducted for the entire organisation

4. CHALLENGES

The following outlines challenges experienced in the period under review:

- A high vacancy rate, which resulted from the public service moratorium on the filling of positions
- Automation of HR systems – moving from manual to automation
- OHS Act 85: 1993 Legal compliance audits could not be done at two offices, namely Trevenna and Head Office, as renovations were taking place, and there was a possibility of the Head Office moving to a new building
- No drills were conducted during the financial year due to expiry of the appointment letters and certificates of the SHERQ representatives

5. FUTURE HUMAN RESOURCE PLANS

Plans for human resource management for the new financial year are as follows:

- Capacitate the organisation at different layers of management and production to ensure efficient service delivery.
- Roll out the automated HR system for leave, performance and recruitment

6. HR OVERSIGHT STATISTICS

6.1 Personnel Cost per Programme

Table 6.1 details personnel expenditure by programme.

***Table 6.1** Personnel expenditure by programme for the period 1 April 2025 to 31 March 2026*

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R'000)
Business Enablement	433 776	49 222	11.3	75	656
CRM	304 440	236 067	77.5	465	508
Corporate Services	318 693	61 232	19.2	111	552
Employee Benefits	111 318	110 213	99.0	207	532
Financial Services	112 802	49 864	44.2	101	494
Governance	84 063	83 228	99.0	128	650
National Treasury Prog. 2.1	55 682	33 838	60.8	59	574
Strategic Support	92 311	44 753	48.5	66	678
Total	**1 513 084**	**668 417**		**1 212**	

6.2 Personnel Cost by Salary Band

Table 6.2 provides a summary of personnel cost by salary band.

Table 6.2 Personnel costs by salary band for the period 1 April 2025 to 31 March 2026

Salary band	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top management	2 590	0.4	1	2 590
Senior management	50 102	7.1	32	1 485
Professionally qualified	207 885	31.1	232	896
Skilled	390 211	58.4	887	440
Semi-skilled	13 996	2.1	38	368
Unskilled	6 223	0.9	22	283
Total	**668 417**	**100**	**1 212**	

6.3 Performance Rewards

In accordance with DPSA Circular No. 1 of 2019, "Notice of a reduction in the percentage allocation of remuneration budgets for the payment of performance bonuses for all categories of employees with effect from 1 April 2019", no provision was made in the budget for performance rewards for the period 1 April 2025 to 31 March 2026.

Table 6.3 Performance rewards by salary band for the period 1 April 2025 to 31 March 2026

No performance rewards were paid.

6.4 Training Costs

Table 6.4 shows the cost of the training programmes that were run.

Table 6.4 Training costs for the period 1 April 2025 to 31 March 2026

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of employees trained	Average training cost per employee
Training programmes (employed)	**728 218 176.00**	5 741 436.40	0.78	1 200	4 784.53
Training programmes (unemployed)		530 745.85	0.07	151	3 514.85
Bursaries		3 765 727.49	0.51	173	21 767.21
Total		**10 037 909.70**	**1.37**	**1 524**	**6 586.55**

Note: *The amount for Training (employed) includes expenses related to attending conferences.*

6.5 Employment and Vacancies

Tables 6.5 (a) and (b) provide a summary of employment and vacancies by programme and by salary band in terms of permanent positions.

Table 6.5 (a) Employment and vacancies by programme as at 31 March 2026 (permanent positions)

Programme	2024/2025 Number of Employees	2025/2026 Approved Posts	2025/2026 Number of Employees	2025/2026 Vacancies	Vacancies as a % of number of posts
Office of the CEO	2	5	2	3	60%
Programme 1.1	48	62	49	13	20.96%
Programme 1.2	92	125	95	30	24%
Programme 1.3	50	66	50	16	24.24%
Programme 1.4	97	127	80	47	37%
Programme 1.5	34	60	40	20	33.33%
Programme 2.1	90	122	93	29	23.77%
Programme 2.2	203	209	181	28	13.39%
Programme 2.3	313	468	406	62	13.24%
Total	**929**	**1 244**	**996**	**248**	**19.93%**

Table 6.5 (b) Employment and vacancies by salary band as at 31 March 2026 (permanent positions)

Salary Band	2024/2025 Number of Employees	2025/2026 Approved Posts	2025/2026 Number of Employees	2025/2026 Vacancies	Vacancies as a % of number of posts
Top management	0	3	1	2	66.66%
Senior management	31	39	29	10	25.64%
Professionally qualified	227	268	213	55	20.52%
Skilled	612	798	702	96	12.03%
Semi-skilled	37	104	32	72	69.23%
Unskilled	22	32	19	13	40.62%

Salary Band	2024/2025 Number of Employees	2025/2026 Approved Posts	2025/2026 Number of Employees	2025/2026 Vacancies	Vacancies as a % of number of posts
Total	**929**	**1 244**	**996**	**248**	**19.93%**

There was a moratorium on filling posts in the Public Service until 31 March 2025. After upliftment of the moratorium, 117 salary level 6 posts were filled, and 41 core business posts were prioritised and advertised. Ten Senior Management Service (SMS) posts were also advertised to address management capacity requirements.

6.6 Employment changes

Table 6.6 and Table 6.7 provide information on the changes in employment during the financial year under review. The turnover rate provides an indication of the trend in the employment profile of the organisation.

Table 6.6 provides a summary of the turnover rate by salary band.

Table 6.6 Annual turnover rate by salary band for the period 1 April 2025 to 31 March 2026 (permanent employees)

Salary band	Employment at beginning of period	Appointments and transfers into the organisation	Terminations and transfers out of the organisation	Employment at end of the period
Top management	1	0	0	1
Senior management	31	0	2	29
Professionally qualified	227	0	14	213
Skilled	612	105	15	702
Semi-skilled	37	0	5	32
Unskilled	22	0	3	19
Total	**930**	**105**	**39**	**996**

6.7 Reasons for Staff Leaving

Table 6.7 shows the reasons why staff left the organisation.

Table 6.7 Reasons why staff left the organisation during the period 1 April 2025 to 31 March 2026

Reason	Number	% of total number of staff leaving
Death	5	17.86
Resignation	13	46.43
Expiry of contract	0	0
Dismissal	3	10.71
Retirement	7	25
Ill-health	0	0
Other	0	0
Total	**28**	**100**

Staff members left the organisation for various reasons, including resignation and transfer to better opportunities. HRM is in the process of implementing an automated recruitment system (e- recruitment), which will expedite the process of filling vacant positions.

6.8 Labour Relations

Table 6.8 Misconduct and disciplinary hearings finalised during the period 1 April 2025 to 31 March 2026

Nature of disciplinary action	Number
Verbal warning	**0**
Written warning	**6**
Final written warning	**0**
Dismissal	**3**
Total	**9**

6.9 Equity Targets and Employment Equity Status

Tables 6.9 (a), (b) and (c) show the equity targets and employment status of the organisation.

Table 6.9 (a) Total number of male employees (including employees with a disability) in each occupational category as at 31 March 2026

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	0	1	0	0	0	0
Senior management	12	14	1	2	0	1	4	4
Professionally qualified	96	113	4	9	5	5	5	9
Skilled	273	287	12	14	3	5	6	6
Semi-skilled	19	45	0	5	0	1	1	5
Unskilled	5	12	0	1	0	0	0	1
Total	**405**	**472**	**17**	**32**	**8**	**12**	**16**	**25**

Table 6.9 (b) Total number of female employees (including employees with a disability) in each occupational category as at 31 March 2026

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	2	0	0	0	0	0	0
Senior management	11	14	0	1	0	1	3	3
Professionally qualified	84	91	7	11	2	3	23	23
Skilled	379	345	24	32	6	9	34	33
Semi-skilled	16	30	0	6	0	1	0	4
Unskilled	17	1	0	0	0	0	0	0
Total	**508**	**483**	**31**	**50**	**8**	**14**	**60**	**63**

Table 6.9 (c) Total number of employees with a disability in each occupational category as at 31 March 2026

Levels	EMPLOYEES WITH A DISABILITY			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	1	0	0
Professionally qualified	3	3	6	8
Skilled	9	11	17	17
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0



PART E

PFMA COMPLIANCE REPORT

1. INTRODUCTION

This section provides information regarding compliance by the GPAA with PFMA requirements.

2. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

2.1 Irregular Expenditure

The tables that follow provide information on irregular expenditure incurred by the GPAA during the 2025/2026 financial year. They also indicate the irregular expenditure that is under assessment, determination and investigation. Details on irregular expenditure that was removed and the disciplinary action taken in response to irregular expenditure are also provided.

Table 2.1(a) Reconciliation of irregular expenditure

Description	2025/2026 (R'000)	2024/2025 (R'000)
Opening balance	82 046	40 297
Add: Irregular expenditure confirmed	1 704	48 549
Less: Irregular expenditure condoned	-	(6 800)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**83 750**	**82 046**

Table 2.1(b) Reconciliation notes

Description	2025/2026 (R'000)	2024/2025 (R'000)
Irregular expenditure that was under assessment in the current year	-	-
Irregular expenditure identified in the current year that relates to the prior year	-	10 776
Irregular expenditure for the current year	1 704	37 773
Total	**1 704**	**48 549**

Table 2.1(c) Irregular expenditure

Description	2025/2026 (R'000)	2024/2025 (R'000)
Irregular expenditure under assessment	-	6 655
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	**-**	**6 655**

Table 2.1(d) Irregular expenditure condoned*0YY*

Description	2025/2026 (R'000)	2024/2025 (R'000)
Irregular expenditure condoned	-	6 800
Total	**-**	**6 800**

Table 2.1(e) Irregular expenditure removed - (not condoned)

Description	2025/2026 (R'000)	2024/2025 (R'000)
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

Table 2.1(f) Irregular expenditure recoverable

Description	2025/2026 (R'000)	2024/2025 (R'000)
Irregular expenditure recovered	-	-
Total	**-**	**-**

Table 2.1(g) Current and previous years' irregular expenditure written off (irrecoverable)0YY

Description	2025/2026 (R'000)	2024/2025 (R'000)
Irregular expenditure written off	-	-
Total	**-**	**-**

Table 2.1 (h) Disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Three individual cases are still under investigation.

2.2 Fruitless and wasteful expenditure

The tables in this section provide information on fruitless and wasteful expenditure during the period under review, as well as the fruitless and wasteful expenditure that is under assessment, determination and investigation.

Table 2.2(a) Reconciliation of fruitless and wasteful expenditure

Description	2025/ 2026 (R'000)	2024/ 2025 (R'000)
Opening balance	99 480	2 597
Add: Fruitless and wasteful expenditure confirmed	1 957	96 883
Less: Fruitless and wasteful expenditure written off		-
Less: Fruitless and wasteful expenditure recoverable		-
Closing balance	**101 437**	**99 480**

Table 2.2(b) Reconciliation notes

Description	2025/ 2026 (R'000)	2024/ 2025 (R'000)
Fruitless and wasteful expenditure under assessment in the current year	-	-
Fruitless and wasteful expenditure identified in the current year that relates to the prior year	-	-
Fruitless and wasteful expenditure for the current year	1 957	96 883
Total	**1 957**	**96 883**

Table 2.2(c) Fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2025/2026 (R'000)	2024/2025 (R'000)
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	101 437	99 480
Total	**101 437**	**99 480**

Table 2.2(d) Fruitless and wasteful expenditure recoverable 2025/2026

Description	2025/2026 (R'000)	2024/2025 (R'000)
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

Table 2.2(e) Fruitless and wasteful expenditure not recoverable and written off

Description	2025/2026 (R'000)	2024/2025 (R'000)
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Table 2.2(f) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Three individual cases are still under investigation.

2.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

The tables that follow provide information on material losses that were dealt with in terms of the PFMA.

Table 2.3(a) Material losses through criminal conduct

Material losses through criminal conduct	2025/2026 (R'000)	2024/2025 (R'000)
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

Table 2.3(b) Other material losses other material losses 2025/2026

Nature of other material losses	2025/2026 (R'000)	2024/2025 (R'000)
None	-	-
Total	-	-

Table 2.3(c) Other material losses recoverable 2025/2026

Nature of losses	2025/ 2026 (R'000)	2024/ 2025 (R'000)
None	-	-
Total	-	-

Table 2.3(d) Other material losses not recoverable and written off 2025/2026

Nature of losses	2025/2026 (R'000)	2024/2025 (R'000)
None	-	-
Total	-	-

3. LATE OR NON-PAYMENT OF SUPPLIERS

The GPAA maintains systems, processes and procedures that enable each invoice received to be tracked, from time of receipt to time of payment. Table 3.1 provides information on the number of invoices received and paid during the 2025/2026 financial year.

Table 3.1: Invoices

Description	Number of invoices	Consolidated Value (R'000)
Valid invoices received	9 221	838 446
Invoices paid within 30 days or agreed period	8 225	753 535
Invoices paid after 30 days or agreed period	918	72 795
Invoices older than 30 days or agreed period (*unpaid and without dispute)*	69	2 914
Invoices older than 30 days or agreed period *(unpaid and in dispute)*	9	9 202

4. SUPPLY CHAIN MANAGEMENT

4.1 Procurement by other means

Table 4.1 provides details on procurement made by other means, as per the reporting requirements of the SCM Instruction 03 of 2021/2022.

Table 4.1: Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R'000)
Request to approve the deviation from the SCM Process in Respect of the Value Threshold of a Service Provider for Legal Expenses to be Incurred in the Disciplinary Process of the Chief Executive Officer	Maphoka & Associates	Deviation	SCM 20250290	3 091
Renewal of the Oracle License updates & License Support, hardware maintenance & support & technical support for a period of 12 months	Oracle Corporation (South Africa)	Deviation	GPAA/D/03/2025–26	43 615
Newspaper Advert - Kuruman Chronicle	Konjane Digital Media and Publications (Pty) Ltd	Deviation	PO0039031	8
Newspaper Advert - Noordkaap Bulletin	Novus Media (Pty) Ltd	Deviation	PO0039032	5
Radio Outside Broadcast (OB) - 12 April 2025 Kuruman	South African Broadcasting Corporation Soc Ltd	Deviation	PO0039039	276
Emergency repair of burst main water supply pipe-GPAA HO	Tshiphethe	Deviation	PO0039042	26
Emergency - repairs of collapsed ceiling at B210	Sebl Trading 24 (Pty) Ltd	Deviation	PO0039061	34
ACL License Renewal 01/Jun/25-31/ May/26	Surtech Solutions RSA Pty Ltd	Deviation	PO0039068	607
Relocation of Enviroracks - Bloemfontein Office	Intelcab Environment Cabinets Pty Ltd	Deviation	PO0039070	35
Print Advert - Limpopo Mirror GEPF Benefits	Zoutnet	Deviation	PO0039176	5
Quarter page print advertisement- in Mpumalanga News	Ctp Limited T/A Lowveld Media	Deviation	PO0039187	9
Quarter page advertisement in Emalahleni FM	Leo Five Media	Deviation	PO0039189	6
Quarter page print advertisement in North Coast Courier	Wordsmiths	Deviation	PO0039190	11
Quarter page print advertisement in Pondo News	Pondo News	Deviation	PO0039194	9
Print advertorial advert in Sowetan Newspaper in Q1 2025	Arena Holdings (Pty) Ltd	Deviation	PO0039195	80
Print advertorial advert in Sowetan Newspaper in Q2 of 2025	Arena Holdings (Pty) Ltd	Deviation	PO0039196	80
Print advertorial advert in Sowetan Newspaper in Q3 of 2025	Arena Holdings (Pty) Ltd	Deviation	PO0039197	80

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R'000)
Print advertorial advert in Sowetan Newspaper in Q4 of 2025	Arena Holdings (Pty) Ltd	Deviation	PO0039198	80
Member education advert on Sekgosese Community Radio	Sekgosese Community Radio Station	Deviation	PO0039205	5
Member education advert on Vukani Community Radio	Vukani Community Radio	Deviation	PO0039206	5
Quarter page print advertisement in Noordkap Bulletin	Novus Media (Pty) Ltd	Deviation	PO0039219	5
Quarter page advertisement in Amajuba Eyethu Newspaper	Ctp Limited T/A Amajuba Eyethu Newspaper	Deviation	PO0039232	6
Public Service Re-Orientation Programme (RoP)	National School of Government	Deviation	PO0039148	301
Compulsory Induction Programme: Level 6-12-Online:2025/2026 F	National School of Government	Deviation	PO0039199	39
Regulatory Exam (RE1) Training for x29 GPAA Call centre employees	Moonstone Business School of Excellence (Pty) Ltd	Deviation	PO0039215	37
Training: Root Cause Identification (RCI) course	Leadership Academy for Guardians of Governance	Deviation	PO0039227	59
Public Service Reorientation Programme – x 50 delegates	National School of Government	Deviation	PO0039243	218
Registration of 50 participants with park & ride transport for Walk the Talk event	Peak Timing (Pty) Ltd	Deviation	PO0039264	21
Hospitality site and catering for Walk the Talk event 2025	Primedia Broadcasting - A Division of Primedia Pty Ltd	Deviation	PO0039265	48
Compulsory Induction Programme (CIP) [Levels 6-12]	National School of Government	Deviation	PO0039269	32
Mahikeng Mail: Quarter Page - GEPF Benefits & Processes	Noordwes Koerante (Edms) Bpk	Deviation	PO0039272	6
Riverside FM - Radio Promo's: GEPF Benefits & Processes	Radio Riverside	Deviation	PO0039276	2
Employment Equity Training for 44 employees	Bee Chamber (Pty) Ltd	Deviation	PO0039283	98
Four(4) Live read promos by Univen Community Radio	University Of Venda Foundation T/A Univen Radio	Deviation	PO0039284	1
Member education campaign advert on Alfred Nzo FM	Alfred Nzo Community Radio	Deviation	PO0039293	4
Four live reads promos on Vhembe FM	Trends Creative Media (Pty) Ltd	Deviation	PO0039294	5
Quarter page full colour advert in Eastern Free State Issue	News Alive	Deviation	PO0039296	9
Member education campaign advert on Rainbow FM	Rainbow Community Broadcaster Cc	Deviation	PO0039297	5
Quarter page advertisement in Pretoria Rekord Newspaper	Capital Media (Pty) Ltd T/A Rekord Newspaper	Deviation	PO0039300	9
Member education campaign advert on Bushbuckridge FM	Bushbuckridge Community Radio	Deviation	PO0039303	4

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R'000)
Radio OBat GEPF Day: Jozini-13 Sept 2025	Radio Igagasi 99.5 (Pty) Ltd	Deviation	PO0039320	217
Quarter page advert for GEPF Day in Jozini KZN-13 Sep 2025	Zululand Observer Pty Ltd	Deviation	PO0039323	11
Quarter page advertisement in Newcastle Advertiser	Ctp Limited T/A Newcastle Advertiser	Deviation	PO0039338	7
Quarter page advert in Witbank News for Witbank GEPF Day	Ctp Limited T/A Lowveld Media	Deviation	PO0039351	11
Reputation & Crisis Communications Advisory Services	Aphinko Communications Group (Pty) Ltd	Deviation	PO0039356	360
Member education advert on Moutse Community Radio Station	Moutse Community Radio Station	Deviation	PO0039366	7
Training: Executive Power speaking programme	The Voice Clinic (Pty) Ltd	Deviation	PO0039374	19
Training - RE5 Exam for 19 delegates	Moonstone Business School of Excellence (Pty) Ltd	Deviation	PO0039375	24
Member education campaign advert on Giyani Community Radio	Gcrfm 106mhz T/A Gcr Fm	Deviation	PO0039390	9
Job Evaluation (JE) training for ODD unit & 10 panel members	National School of Government	Deviation	PO0039392	109
Member education campaign advert on Star FM	Star Fm	Deviation	PO0039395	3
Training-Advanced Management Development Programme	National School of Government	Deviation	PO0039400	216
Member education campaign advert on Newcastle Radio	Newcastle Community Radio / Nn Community Radio Station Npc	Deviation	PO0039406	3
Witness to serve in Arbitration hearing of Ms September	Madhlopa and Thenga Inc	Deviation	PO0039407	140
Member education campaign advert on Sosha Community Radio	Soshanguve Radio Media (Pty) Ltd	Deviation	PO0039412	3
Quarter page print advert in Vrystaatkroon newspaper	Novus Media (Pty) Ltd	Deviation	PO0039423	4
Member education advert on Bushbuckridge Community Radio	Bushbuckridge Community Radio	Deviation	PO0039428	4
Quarter page advert in Southern Ster newspaper	Mooivaal Media A Div of Cpt Limited	Deviation	PO0039433	7
ArchiMate 3.2 Training course for 5 GPAA employees	Real Irm Solutions (Pty) Ltd	Deviation	PO0039437	86
Compulsory Induction Programme (CIP) - Level 6-12: 5 Employees	National School of Government	Deviation	PO0039451	5
Radio OB by Metsimaholo FM	Selitec (Pty) Ltd T/A Metsimaholo Fm	Deviation	PO0039453	71
Extension of Wireless Application Service Provider (WASP) services including SMSs for x3 months	State Info. Technology Agency	Deviation	PO0039468	776
Renewal of BarnOwl license subscription for 12 months	Idi Technology Solutions (Pty) Ltd	Deviation	PO0039469	230
Compulsory Induction Programme: L 6-12: 8 employees	National School of Government	Deviation	PO0039478	8

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R'000)
Maintenance & Support: Self-Service Web Application: x6 months	Seventynine Digital	Deviation	PO0039481	694
Compulsory Induction Programme (CIP) L 6-12: 28 employees	National School of Government	Deviation	PO0039502	30
Radio & TVB Media Campaign: Talk Shows	South African Broadcasting Corporation Soc Ltd	Deviation	PO0039509	15 785
Emerging Management Development Programme	National School of Government	Deviation	PO0039511	334
Member education advert on Madibeng Community Radio	Madibeng Community Radio Npc	Deviation	PO0039516	3
Publication of the Military Pensions Increases for 2025	Government Printing Works	Deviation	PO0039519	4
Attendance of Bid Committee (PFMA) course: 8-9 Dec 2025	Commerce Edge South Africa (Pty)Ltd	Deviation	PO0039537	170
Central Data Repository (CDR) development for modernisation ES	Elikhulu Software Engineering	Deviation	PO0039546	766
OB & radio promos by Worcester FM: 31.01.2026	Worcester Fm (Pty) Ltd	Deviation	PO0039579	61
Quarter page print advert by Paarl Post newspaper	Novus Media (Pty) Ltd	Deviation	PO0039587	10
Quarter page advert in Breederivier Gazette newspaper	Novus Media (Pty) Ltd	Deviation	PO0039588	16
Placement of Notice in Gov Gazette: Amendment of Rules	Government Printing Works	Deviation	PO0039589	12
Ethics Officer Certification Programme: 23-27 Feb 2026	Ethics Institute of South Africa	Deviation	PO0039600	66
Common Access Point (CAP) Link services for 36 months	State Info. Technology Agency	Deviation	PO0039621	1 118
Rubrik Backup License Subscription - 12 Months	Datacentrix (Pty) Ltd	Deviation	PO0039623	9 860
Business Architecture Mastery Programme training course	Inspired Org (Pty) Ltd	Deviation	PO0039634	35
State Information Technology Agency (SITA) PERSAL SERVICES - 36 months	State Info. Technology Agency	Deviation	PO0039642	569
The Herald: GEPF Day - Port Elizabeth 14 Mar 2026	Arena Holdings (Pty) Ltd	Deviation	PO0039649	19
Daily Dispatch: Pre-Retirement W/Shop Butterworth 12 March	Arena Holdings (Pty) Ltd	Deviation	PO0039650	16
Electronic Doc Distribution (EDD) Services - 3 Years	State Info. Technology Agency	Deviation	PO0039651	37
Legal Services: Disciplinary Proceeding of Executives	Maphokga and Associates Inc	Deviation	PO0039671	1 200
Ngkubela Community Radio: Outside B/Cast - GEPF Day P>E	Nkqubela Community Radio Station Npc	Deviation	PO0039676	59
Catering for Farewell: Nombonakalo Qwase	Ntshangwe Trading Company (Pty) Ltd	Deviation	PO0039692	5
Catering For Farewell: Mario John	Fatima Ashraff Caterers Cc	Deviation	PO0039697	4

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R'000)
SITA entered into a Framework Agreement with Oracle. The GPAA Is entitled to contract directly with Oracle through the Framework Agreement, subject to Sita reviewing and confirming the prices quoted by Oracle	Oracle SA	Deviation	Fa 2023-2024	40 720
Supply of a Managed Security Operations Centre (SOC) and Network Detection and Response (NDR) service for a Period of 12 months	Merafong ICT	Deviation	GPAA_D_01_2025_26	17 293
Provision of Hardware License Support, Maintenance & Professional Services for a Period of 12 months	Sizwe IT Group	Deviation	GPAA_D_02_2025_26	2 855
Total				**104 364**

4.2 Contract variations and expansion

Table 4.2 provides information on contract variation orders, as per the reporting requirements of SCM Instruction 03 of 2021/2022.

Table 4.2: Contract variations and expansion

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion or variations (if applicable)	Value of current contract expansion or variation
				(R'000)	(R'000)	(R'000)
IT Service Management Services and Licenses for a Period of 12 Months	SITA	Expansion	SLA 1168_001	3 055	-	1 314
Provision of Fraud Hotline for 36 months	Vuvuzela Hotline Pty Ltd T/A Vuvuzela Hotline	Expansion	RFQ 20220065	291	-	80
Bankserv Managed Network Services	SA Bankers Services	Expansion	PO0037722	310	-	157
Variation of 0.31% for the procurement of additional Cisco QFSP Fibre cables from the current Service Provider	Crocodiel Dynamics (Pty) Ltd	Expansion	RFB 2851-2023	48 415	-	148
The approval of a 0.84% variation on PO38265 for the Cisco Enterprise Agreement for the Procurement of additional IDENTITY Service Engine Licenses from the current Service Provider	Motiv8 (Pty) Ltd	Expansion	PO-382654	27 440	-	230
Approval of a variation of 0.82% to extend the contract between the GPAA and Sizwe for the F5 Support from 30 June 2025 to February 2026	Sizwe Africa IT Group	Expansion	SITA RFB 989	15 376	-	126
Provision of the Fraud Hotline for 36 Months	Vuvuzela Hotline Pty Ltd T/A Vuvuzela Hotline	Expansion	RFQ 20220065	291	80	7
Variation on The Contract with Motiv8 (Pty) Ltd (Po0038265) For the Procurement of Additional Identity Services Engine (Ise) Licenses	Araba Sechaba Trading Enterprise	Expansion	GPAA 14/ 2021	17 743	-	7 000
Fortinet License Renewal – 12 months	Gijima AST-A Holdings (Pty) Ltd	Expansion	Po0038179	9 315	-	2 124
Additional pages for publication	Government Printing Works	Expansion	Po0038580	48	-	9
Total				**122 287**	**80**	**11 198**



PART F

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026

FINANCIAL STATEMENTS

For the year ending

31 March 2026

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Accounting Officer's Statement of Responsibility

Statement of responsibility and confirmation of accuracy of the Annual Financial Statements for the year ending 31 March 2026

The Accounting Officer is responsible for the preparation of the GPAA's financial statements and for the judgements made in preparing this information. The financial statements presented have been prepared in accordance with Generally Recognised Accounting Practice (GRAP) standards and frameworks, and the guidelines issued by National Treasury.

The Accounting Officer is responsible for establishing and implementing a system of internal control that is designed to provide reasonable assurance regarding the integrity and reliability of the financial statements.

The Accounting Officer considered whether, in preparing the annual financial statements, the most appropriate accounting policies were used and applied consistently and are supported by reasonable and prudent judgements and estimates. It is the Accounting Officer's opinion that the financial statements fairly reflect the operations of the GPAA for the year ending 31 March 2026.

The going concern basis of accounting was adopted in preparing the financial statements. The Accounting Officer has no reason to believe that the GPAA will not be a going concern in the foreseeable future.

The external auditors shall be engaged to express an independent opinion on the annual financial statements of the GPAA.



Mr Stadi Mngomezulu

Acting Chief Executive Officer (ACEO)

Government Pensions Administration Agency (GPAA)

Date: 31 August 2026

Report of the Auditor-General to Parliament on the Government Pensions Administration Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Government Pensions Administration Agency (the government component) set out on pages 77 to 119 which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison between the budget and actual amounts 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 Government Pensions Administration Agency as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

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 government component 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.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) 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.

7. In preparing the financial statements, the accounting officer is responsible for assessing the government component'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 government component 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

8. 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.

9. 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 73 forms part of my auditor's report.

Report on the audit of the annual performance report

10. 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 programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

11. I selected the following programme presented in the annual performance report for the year ended 31 March 2026 for auditing. I selected a programme that measures the government component's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Benefits administration	27 to 32	The purpose of this programme is to administer contributory and non-contributory benefits to the clients of the Government Employees Pension Fund (GEPF) and the National Treasury, and to manage client channels and customer relationships with both national and provincial government departments.

12. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the government component's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the government component's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the government'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.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected programme.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over or under achievements.

18. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 28 to 31.

Progamme 2: Benefits administration

Targets achieved: 93,75% Budget spent: 86,8%		
Key indicator not achieved	Planned target	Reported achievement
Indicator 23. % of GEPF Death benefits paid within 60 working days of liability date	50%	47,75%

Report on compliance with legislation

19. 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 government component's compliance with legislation.

20. 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.

21. 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 government component, 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.

22. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Consequence management

23. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular, fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into such expenditure were not performed and/or finalised for all cases.

Expenditure management

24. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 19 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was due to prescribed procurement processes not being followed, similar to the matters identified in the prior year

25. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 19 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was due to systems paid for but not in use, similar to the matters identified in the prior year.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

27. 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.

28. 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 programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. 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.

31. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

32. Management did not establish and implement sufficient procedures to review and monitor compliance with applicable legislation resulting in re-occurrence of irregular, fruitless and wasteful expenditure.

33. Due to instability in leadership in the government component, management did not fully implement the prior year action plan to address the deficiencies identified in consequence management resulting in investigation and determinations tests not being completed for some instances of irregular, fruitless and wasteful expenditure that was identified in prior periods.

Material irregularities

34. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

35. The material irregularities identified are as follows:

Material irregularities in progress

36. I identified a material irregularity during the audit and notified the Acting Accounting Officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the Acting Accounting Officer was not yet due. This material irregularity will be included in next year's auditor's report.

Other reports

37. There were various investigations taking place which relate to procurement irregularities at the request of Minister of Finance, covering the period 1 April 2023 to 31 March 2025. The outcomes of the investigations were not finalised at the time of this report.



Pretoria

31 July 2026

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the government component'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 government component'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 government component 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 the government component 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.

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.

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 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); 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); 6.4.2(b); 7.2.1; 8.1.1; 8.2.1; 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; 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 Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
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. 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
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)(b); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
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)


7%
15%
100%
60%
18%
01
02
01

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	2026 R'000	2025 R'000
Non-Current Assets		**280,339**	**316,407**
Property, plant and equipment	**3**	188,429	201,686
Intangible assets	**4**	50,874	72,192
Trade and other receivables	**6**	40,614	42,107
Rental deposits	**7.1**	422	422
Current Assets		**126,408**	**374,803**
Inventory	**5**	2,426	2,540
Trade and other receivables	**6**	45,412	246,182
Prepayments	**7.2**	12,166	16,383
Cash and cash equivalents	**8**	66,404	109,698
TOTAL ASSETS		**406,747**	**691,210**
Non-Current Liabilities		**40,614**	**42,108**
Finance lease liability	**9**	40,064	41,811
Operating lease liability	**11**	550	297
Current Liabilities		**197,050**	**219,806**
Trade and other payables	**10**	138,637	187,034
Finance lease liability	**9**	32,633	3,381
Operating lease liability	**11**	317	1,331
Provision	**12**	25,463	28,060
TOTAL LIABILITIES		**237,664**	**261,914**
Net Assets		**169,083**	**429,296**
Accumulated surplus		169,083	429,296
TOTAL NET ASSETS AND LIABILITIES		**406,747**	**691,210**

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 R'000	2025 R'000
Revenue from exchange transactions		**1,252,871**	**1,741,185**
Administration income	**13.1**	1,244,698	1,731,448
Other income	**13.2**	8,173	9,737
Expenses		**1,513,084**	**1,611,574**
Personnel costs	**14**	668,417	639,694
Travel & subsistence		37,148	41,083
Depreciation	**3.1**	44,598	42,809
Amortisation	**4.1**	83,987	101,695
Cleaning services		9,646	9,394
Maintenance & repairs		12,233	13,001
Leases		93,377	83,406
Professional services and consulting		173,238	281,782
Audit fees		6,816	7,883
Communication		51,404	83,029
Printing & stationary		23,375	40,675
Advertising		17,764	23,951
Computer services		186,042	146,262
Training and staff development		8,423	15,244
Municipal services		14,778	12,842
Other operating expenses		17,543	10,148
Finance costs	**15**	64,269	57,645
Loss on sale of property, plant & equipment		26	1,031
(DEFICIT)/SURPLUS FOR THE YEAR		**(260,213)**	**129,611**

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2026

	2026 R'000
	Accumulated Surplus
Balance as at 31 March 2024	**299,685**
Surplus for the year	129,611
Balance as at 31 March 2025	**429,296**
Deficit for the year	(260,213)
Balance as at 31 March 2026	**169,083**

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 R'000	2025 R'000
Cash flow from operating activities			
Cash generated from operations		**79,586**	**230,315**
Cash receipts from customers		1,446,917	1,578,162
Cash paid to employees and suppliers		(1,367,331)	(1,347,847)
Interest Received	**13.2**	7,920	9,140
Net cash flow from operating activities	**16**	**87,506**	**239,455**
Net cash flow from investing activities		**(93,325)**	**(165,063)**
Proceeds from sale of property, plant and equipment		-	1,191
Additions to property, plant and equipment	**3.1**	(30,656)	(65,466)
Additions to intangible assets	**4.1**	(62,669)	(100,788)
Net cash flow from financing activities		**(37,475)**	**(72,722)**
Payment on finance lease liabilities		(37,475)	(72,722)
Net increase (decrease) in cash and cash equivalents		**(43,294)**	**1,670**
Cash and cash equivalents at the beginning of the year		109,698	108,028
Cash and cash equivalent at the end of the year	**8**	**66,404**	**109,698**

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2026

	Approved budget		Adjustments		Final budget		Actual amounts on a comparable basis		Difference between final budget and actual in amount		Difference between final budget and actual in percentage	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	%
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenue	**1,649,453**	**1,466,782**	**(31,970)**	**70,342**	**1,617,487**	**1,537,124**	**1,253,620**	**1,741,185**	**363,867**	**(204,061)**	**22**	**(13)**
Administration income	1,649,453	1,466,782	(31,970)	70,342	1,617,487	1,537,124	1,245,447	1,731,448	372,040	(194,324)	23	(13)
Other income	-	-	-	-	-	-	8,173	9,737	(8,173)	(9,737)	(100)	(100)
Expenditure	**1,501,962**	**1,306,670**	**(10,565)**	**42,113**	**1,491,397**	**1,348,783**	**1,384,499**	**1,467,070**	**106,898**	**(118,287)**	**(7)**	**(9)**
Personnel costs	720,231	684,286	(14,863)	(65,000)	705,368	619,286	668,417	639,694	36,951	(20,408)	5	(3)
Operating expenses	781,731	622,384	4,298	107,113	786,029	729,497	716,082	827,376	69,947	(97,879)	9	(13)
Surplus from operations	**147,491**	**160,112**	**(21,401)**	**28,229**	**126,090**	**188,341**	**(130,879)**	**274,115**	**256,969**	**(85,774)**	**204**	**(46)**
Depreciation and Amortisation	-	-	-	-	-	-	128,585	144,504	(128,585)	(144,504)	(100)	(100)
Surplus/ (Deficit)	**147,491**	**160,112**	**(21,401)**	**28,229**	**126,090**	**188,341**	**(259,464)**	**129,611**	**385,554**	**58,730**	**306**	**31**
Capital expenditure	**147,491**	**160,112**	**(21,401)**	**28,229**	**126,090**	**188,341**	**56,237**	**203,854**	**69,853**	**(15,513)**	**55**	**(8)**

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2026

ANALYSIS OF ACTUALS VERSUS BUDGET

Revenue

GPAA administration income is charged on a cost recovery basis, as per the agreement with the Government Employees Pension Fund (GEPF) and National Treasury.

GPAA receives 93% of its revenue from GEPF and 7% from National Treasury and Department of Military Veterans (DMV) for administration services rendered for pension members of GEPF, DMV and National Treasury. The variance of R363.8 million (22%) is due to spending that is above approved budget, as income is earned on a cost recovery basis. Other income includes interest received, commission and parking income, which are not budgeted for.

Operating Expenditure

Total actual operational expenditure (excluding depreciation and amortisation) amounted to R1.384 million, which is R106 million (7%) under budget. The underspending is primarily attributed to the following factors:

- Compensation of Employees underspent by R36.9 million (5%), due to vacant positions that remained unfilled during the reporting period.
- Advertising and promotions expenditure underspent by R4.9 million (22%), primarily due to delays in SABC advertising expenditure as a result of the contract being finalised late in October 2025.
- Agency fees underspent by R6.5 million (37%) as a result of the public service recruitment moratorium, which was lifted in April 2025. Following the lifting of the moratorium, the GPAA commenced the normalisation of organisational staffing levels, with temporary staff to be phased out in line with the settlement agreement concluded at the arbitration session held on 09 October 2025.
- Communication expenditure underspent by R23.4 million (32%), primarily due to underspending on postage amounting to R18.9 million. This was due to the suspension of printing activities pending the finalisation of the digitisation and printing strategy, as well as underspending on telephone costs amounting to R4.6 million.
- Computer services expenditure underspent by R19.9 million (10%), mainly due to underspending on maintenance of computer equipment.
- Leases underspent by R25.6 million (20%), primarily due to the following factors:
    - Physical security X-Ray underspent by R24.6 million owing to an interest adjustment on the finance lease payments.
    - ICT (copiers) recorded underspending of R1.2 million, mainly due to a reduction in the use of paper.

- Repairs, cleaning, and maintenance underspent by R9.4 million (30%) mainly due to: Air conditioners, lights, and generator repairs and maintenance, which underspent by R2.2 million due to a lower maintenance cost than budgeted; delays in the appointment of service providers for building repairs and maintenance, resulting in an underspending of R2.4 million; Cleaning services underspent by R1.2 million, due to delays in appointing cleaning service providers for the Bisho, Mthatha, and Port Elizabeth offices; Motor vehicle maintenance underspent by R1.5 million due to less maintenance done than initially budgeted.

- Stationery, consumables and printing underspent by R15.9 million (44%), primarily because of the decision to suspend the issuance of purchase orders for printing related to member communication during the financial year.

- Training and workshops underspent by R4.2 million (29%), primarily due to lower than budgeted use of outside venues and facilities for training and workshops undertaken during the 2025/26 financial year.

- Other expenditure underspent by R8.6 (22%) million, mainly due to: catering which underspent by R1.6 million due to cost containment measures; uniforms, which underspent by R4.3 million because of outstanding invoices and proof of delivery from the service provider for deliveries made from July 2025; bursaries which underspent by R1.5 million; courier and freight services, which underspent by R996 thousand; resettlement cost that underspent by R519 thousand; as well as professional bodies and membership fees, which underspent by R753 thousand.

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies that were applied in preparing these financial statements are disclosed below.

1.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The agency was established as a government component in terms of the Public Services Act, 1994 (Act No. 103 of 1994).

GPAA obtained approval from the Minister of Finance for the application of GRAP on a permanent basis. Therefore, the financial statements were prepared in accordance with GRAP, issued by the Accounting Standards Board in accordance with Section 91(1) (b) of the Public Finance Management Act (Act No. 1 of 1999), rather than the Modified Cash Basis that is normally applicable to government departments and government entities.

GPAA's financial statements are prepared using the accrual basis of accounting, with historical cost as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenue, and expenses have not been offset, except where offsetting is required or permitted by GRAP.

1.2 PRESENTATION CURRENCY

These Annual Financial Statements are presented in South African Rand (R), which is the functional currency of the entity. Amounts are rounded off to the nearest thousand.

1.3 GOING CONCERN ASSUMPTION

The agency's Annual Financial Statements were prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations, and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the foreseeable future or within 12 months of the reporting. Going concern assessment is done annually.

1.4 COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and/or restatement is not required by GRAP. The nature and reason for the reclassifications and restatements are also disclosed.

Where material accounting errors that relate to prior periods are identified in the current year, the correction is made retrospectively as far as is practical, and the prior year comparatives are restated accordingly. Where there has been a change in the accounting policy in the current year, the adjustment is made retrospectively as far as is practical, and the prior year comparatives are restated accordingly.

1.5 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In complying with the accounting policies, management is required to make various judgements (apart from those involving estimates), which may affect the amounts reflected in the items recognised in the Financial Statements.

Management is also required to make estimates in terms of uncertain future events, which could affect the carrying amounts of certain assets and liabilities at the reporting date.

The use of judgement, estimates and assumptions is inherent in the process of preparing the financial statements. These judgements, estimates and assumptions affect the amounts presented in the financial statements. Uncertainties about estimates and assumptions could result in outcomes that require a material adjustment to be made to the carrying amount of the relevant asset or liability in future periods.

Details regarding significant judgements and estimates are disclosed in the relevant policies if the impact on the financial statements is material.

1. 5.1 JUDGEMENTS AND ESTIMATES

In the process of applying the accounting policies, management has made certain judgements that may have a significant effect on the amounts recognised in the financial statements. These are detailed below. The estimates were informed by experience, the information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. The estimates are reviewed on a regular basis and the changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

1. 5.2 PROVISION FOR IMPAIRMENT OF RECEIVABLES

The receivables are assessed separately for any indication of impairment or recoverability.

1. 5.3 PROVISION FOR ACCUMULATED LEAVE PAY

The provision for leave pay accounts for vested leave pay, which employees may become entitled to when exiting from the service of GPAA.

1. 5.4 PROVISION FOR PERFORMANCE BONUS

The provision for performance bonuses is based on the approved annual budget for the current financial year.

1. 5.5 IMPAIRMENT OF ASSETS

When an impairment indicator exists, management must determine a recoverable service amount. The recoverable service amount is the higher of the asset's fair value less the cost to sell it, or the value in use. It is not always possible to determine fair value less cost to sell, in which case alternative methods may be used to estimate fair value less cost to sell. The value in use is the present value of the asset's remaining service potential.

1. 5.6 RESIDUAL VALUES AND USEFUL LIVES

The residual value and useful life of property, plant and equipment are assessed annually. Impairment of assets is assessed annually, or more frequently if there is an indication that an asset may be impaired. The related impairment loss is recognised in the statement of change in net assets and funds in the period in which the impairment occurred.

1. 5.7 OTHER PROVISIONS

Provisions are measured as the present value of the estimated future outflows required to settle an obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision, management considers the weighted average probability of the potential outcome of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision, as well as the financial impact of each of the potential outcomes. Management then assigns a weighting factor to each of the outcomes, based on the probability that the outcome will materialise in the future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Further information about the key assumptions concerning future and other key sources of estimations is set out in the relevant notes to the Financial Statements.

1.6 PRINCIPAL-AGENT ARRANGEMENTS

The GPAA is a government component. Its purpose is to provide pension administration services to the GEPF, DMV and National Treasury in respect of Associated Institutions Pension Fund (AIPF), Temporary Employees Pension Fund (TEPF) and Programme 7 funds. The services provided to the GEPF and National Treasury are regulated in terms of the agreed service level agreements (SLAs). The GPAA is an agent of GEPF and National Treasury, as defined in GRAP 109. The terms and conditions according to which the GPAA renders services to the GEPF and National Treasury did not change significantly during the financial year.

The financial and non-financial risks associated with the entity are derived from the economic performance of the principals, such as GEPF and National Treasury.

The agreement that the GPAA is appointed as the administrator in respect of the services it provides to the GEPF and National Treasury shall only terminate if the GPAA is disestablished by way of publication of a Proclamation by the President and a Notice published in the Government Gazette by the Minister.

The agreement entered into with the GEPF provides for a process of dispute resolution to be followed, should a dispute arise that the parties cannot resolve. If the dispute remains unresolved, the GEPF may decide to terminate the agreement with the GPAA, if the GPAA fails to honour the resolution of the dispute process.

In terms of the signed SLAs, the GPAA is required to comply with all applicable legislation and regulations and has a fiduciary responsibility to National Treasury. As a result, the GPAA is required to comply with regulations such as the Public Finance Management Act (PFMA). Adherence to the public sector legislation and regulations ensures that the GPAA's activities are well managed and gives assurance of the GPAA's ability to meet its objectives and mitigate associated risks.

The GPAA did not hold any resources, incur any liabilities, or earn any corresponding rights of reimbursement that are recognised as assets on behalf of National Treasury or the GEPF. Assets and liabilities, and revenue and expenses are recognised in the GPAA's financial statements according to the relevant GRAP standards. The GPAA currently recovers all its administration costs from National Treasury and the GEPF based on the costs incurred, and no profit margin is added for the fees charged.

The administration services provided relate to all pension administration services.

1.7 PROPERTY, PLANT AND EQUIPMENT

1.7.1 INITIAL RECOGNITION AND MEASUREMENT

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services.

Property, plant and equipment items are recognised as assets when it is probable that the future economic benefits or service potential associated with an item will flow to the entity, and the cost or the fair value of the item can be measured reliably.

Property, plant and equipment items are initially recognised as assets on the acquisition date and are recorded at cost when acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, the items are initially measured at their fair value as at the date of acquisition.

The cost of a property, plant and equipment item is the purchase price and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating or being used in the manner intended by the entity. Trade discounts and rebates are deducted to determine the cost at which the asset is recognised. The cost also includes the estimated cost of dismantling and removing the asset, and restoring the site on which it is operated.

Some intangible assets may be contained in, or on a physical substance. In determining whether an asset that incorporates both tangible and intangible elements should be treated under the Standard of GRAP on Property, Plant and Equipment (GRAP 17) or Intangible Assets (GRAP 31), the entity uses judgement to assess which element is more significant. When the software is not an integral part of the related hardware, computer software is treated as an intangible asset. However, if the hardware cannot operate without specific software because it is an integral part of the related hardware, both are treated as property, plant and equipment.

When significant components of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These major components are depreciated separately over their useful lives.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary asset, or a combination of both, the asset acquired is initially measured at fair value (the cost). If the fair value of the acquired item cannot be determined, its cost is deemed to be the carrying amount of the asset given up.

Repairs and maintenance to the item of property, plant and equipment are recognised as an expense in the statement of financial performance in the period in which they are incurred.

Major spare parts and servicing equipment qualify as property, plant and equipment if the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Assets not yet available for use are disclosed as Capital Work-in-Progress in the property, plant and equipment note.

1.7.2 SUBSEQUENT MEASUREMENT

Subsequent to the initial recognition, property, plant and equipment items are measured at cost less accumulated depreciation and impairment losses.

1.7.3 SUBSEQUENT EXPENDITURE

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently, the expenditure, including major spare parts and servicing equipment qualify as property, plant and equipment, if the recognition criterion is met.

1.7.4 DEPRECIATION

Depreciation is calculated on the depreciable amount on all assets that are ready for use as intended by the entity, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset, and which have different useful lives, are depreciated separately.

The depreciable amount is determined after taking into consideration the asset's residual value, where applicable to the entity.

The residual value of the assets, the useful lives and the depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The annual depreciation is based on the following estimated useful lives of assets:

CATEGORY OF ASSET	USEFUL LIFE (YEARS)
Computer Equipment	5-8
Furniture & Fittings	10
Leasehold Improvements	The lesser of 15 years and the lease period.
Office Equipment	5-10
Motor Vehicles	7
Tools	6
Finance Lease: Office Equipment	5
Finance Lease: Motor Vehicles	5

1.7.5 IMPAIRMENT

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is immediately written down to its recoverable amount (or recoverable service amount), and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the carrying amount on the asset does not exceed the carrying amount that would have been determined had no impairment been recognised. The reversal of the impairment is then recognised in the Statement of Financial Performance.

1.7.6 DERECOGNITION

Property, plant and equipment items are derecognised when the asset is disposed of or when there is no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the disposal or retirement of property, plant and equipment item is determined as the difference between the sale proceeds and the carrying value. This is recognised in the Statement of Financial Performance.

1.8 INTANGIBLE ASSETS

1.8.1 INITIAL RECOGNITION AND MEASUREMENT

An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefit or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to a strict recognition criterion before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:
a) The entity intends to complete the intangible asset for use or sale.
b) It is technically feasible to complete the intangible asset.
c) The entity has the resources to complete the project.
d) It is probable that the entity will receive future economic benefits or service potential.
e) The entity has the ability to reliably measure the expenditure during development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the entity for no consideration or a nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or for monetary assets or a combination of both, the asset acquired is initially measured at fair value (the cost). If the fair value of the acquired item cannot be determined, its cost is deemed to be the carrying amount of the asset given up.

Intangible assets that are not yet available for use are disclosed as Capital Work-in-Progress in the Intangible assets note.

1.8.2 SUBSEQUENT MEASUREMENT

Intangible assets are subsequently carried at cost less accumulated amortisation and impairment.

The cost of an intangible asset is amortised over its useful life when that useful life is finite. The amortisation expense on an intangible asset with a finite life is recognised in the Statement of Financial Performance in the expense category, which is consistent with the function of the intangible asset.

Following the initial recognition of the development expenditure as an asset, the cost model is applied, which requires the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the development is complete, and the asset is available for use. It is amortised over the period of the expected future benefit. Amortisation is recorded in the Statement of Financial Performance, in the expense category that is consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

1.8.3 AMORTISATION

Amortisation is charged to write off the cost of an intangible asset over its estimated useful life using the straight-line method.

The annual amortisation is based on the following estimates of an asset's useful life:

CATEGORY OF INTANGIBLE ASSET	USEFUL LIFE
Computer Software	5-10 years
Licenses	License period

1.8.4 IMPAIRMENT

The entity tests intangible assets with a finite useful life for impairment, if there is an indication that the asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is immediately written down to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

1.8.5 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the asset. The gain or loss arising on disposal or retirement of an intangible asset is determined as the difference between the proceeds of the sale and the carrying value. It is recognised in the Statement of Financial Performance.

1.8.6 CAPITAL WORK-IN-PROGRESS

Given the amount spent annually on assets, whether on developing new assets or maintaining existing ones, users expressed a strong need for more disclosure about Capital Work-in Progress and expenditure on maintenance and support.

For Capital Work-in-Progress, users indicated that they needed more information about the types of assets being developed, per class of assets.

Capital Work-in-Progress includes the amounts spent on projects that are taking a significant amount of time to complete or have been halted. Information about the age of projects should be included in Capital Work-in-Progress.

The organisation should disclose amounts that are included in Capital Work-in-Progress for items that are long outstanding or relate to projects that have been stopped, and the entity must disclose details on whether impairment has been considered.

1.9 INVENTORY

1.9.1 INITIAL RECOGNITION AND MEASUREMENT

Inventories are initially recognised at cost. Cost refers to the purchase price, including taxes, transport costs and any other cost incurred in bringing the inventories to their current location and condition.

Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance.

1.9.2 SUBSEQUENT MEASUREMENT

Inventories are valued at the lower of cost and net realisable value, unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value in terms of their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at the end of the financial year.

The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

1.9.3 DERECOGNITION

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.10 FINANCIAL INSTRUMENTS

1.10.1 INITIAL RECOGNITION

An entity recognises a financial asset or a financial liability in its Statement of Financial Position only when the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of the trade date accounting method.

Upon initial recognition, the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interest in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are evaluated based on their terms, to determine if the instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as a financial liability and/or residual interest, as the case may be.

1.10.2 INITIAL MEASUREMENT

When a financial instrument is recognised, the entity measures it initially at its fair value. In the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue the financial asset or financial liability.

1.10.3 SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost. Where GRAP 104 is applicable, financial assets are subsequently measured at amortised cost using the applicable 'standard interest rate to be levied on debts owing to the state', as published by National Treasury.

1.10.4 GAINS AND LOSSES

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in Surplus or Deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised: in Surplus or Deficit when the financial asset or financial liability is derecognised or impaired; or through the amortisation process.

1.10.5 IMPAIRMENT

All financial assets measured at amortised cost or cost are subject to an impairment review using a simplified GRAP 104 approach, based on an allowance for credit losses over the lifetime of the asset. A simplified approach is adopted due to the following:

- It applies to short term trade receivables
- No staging is applied for significant credit risk increase between 12 months and lifetime expected credit losses,
- A provision matrix based on historical loss rates is used,
- Historical, current and forward-looking information is applied.
- It is cost effective and more responsive to changes in credit risk.

At the end of each reporting period, the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Lifetime allowance for credit losses is recognised from day one, and not when the actual default occurs.

1.10.6 DERECOGNITION OF FINANCIAL INSTRUMENTS

A financial asset is derecognised when:

- o The contractual rights to the cash flows expire.
- o The asset is transferred, and the risks and rewards of ownership are substantially passed on to another party.
- o Control of the financial asset is transferred to another party and the other party has the ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case:

i) The asset shall be derecognised.
ii) Any rights and obligations created or retained in the transfer are recognised separately.

A financial liability is derecognised when the obligation is discharged, cancelled, or expires.

1.11 POLICIES RELATING TO SPECIFIC FINANCIAL INSTRUMENTS

1.11.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are initially measured at fair value. Cash includes cash on hand and cash with banks. Due to the short-term nature and high liquidity of cash and cash equivalents accounted for under GRAP 104, subsequent measurement is carried out at amortised cost, which often approximates fair value in the absence of contractual obligations. The effective interest method is used to recognise any interest earned in surplus or deficit.

For purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

1.11.2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade and other receivables are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition. They are subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed for possible impairment at least once a year. Impairment of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

1.11.3 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables are initially measured at fair value, including transaction costs that are directly attributable to the acquisition. They are subsequently measured at amortised cost using the effective interest rate method.

1.12 PROVISIONS

Provisions are recognised when the GPAA has a present legal or constructive obligation as a result of past events, and it is probable that there will be an outflow of economic benefits, and a reliable estimate can be made of the obligation.

1.13 LEASES

The entity as lessee

1.13.1 RECOGNITION

Leases are classified as finance leases where substantially all the risks and rewards associated with the ownership of an asset are transferred to the entity through the lease agreement. Assets classified as finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets classified as operating leases, i.e. those leases where substantially all the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease period.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, such as whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset.

For arrangements entered into prior 1 January 2005, the date of inception is deemed to be 1 January 2005, in accordance with the transitional requirements of GRAP 3.

1.13.2 MEASUREMENT

Assets that are subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the asset and the present value of the future minimum lease payments, using the rate implicit in the lease. Subsequent to initial recognition, the capitalised assets are depreciated over the lower of the lease period or the useful life of the asset.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to the initial recognition, this liability is carried at amortised cost, with the lease payments set off against the capital and accrued interest.

The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed in the Statement of Financial Performance as they accrue. The finance cost accrual is determined using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-line lease payments differ from the actual lease payments, the difference is recognised in the Statement of Financial Position as either lease payments paid in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset or liability is measured at the undiscounted difference between the straight-line lease payments and the contractual lease payments.

1.13.3 DERECOGNITION

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is settled. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is settled. The operating lease asset is derecognised when the entity no longer anticipates any economic benefits to flow from the asset.

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions is recognised when it is probable that future economic benefits of service potential will flow to the GPAA, and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

1.14.1 ADMINISTRATION INCOME

The GPAA is the administrator of the GEPF and National Treasury funds (i.e. AIPF, TEPF and Programme 7) and receives an administration fee for the services it provides. These fees are calculated on a cost recovery basis and are recognised once the expenditure is incurred.

1.14.2 OTHER INCOME

1.14.2.1 COMMISSION INCOME

Income that arises when the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of the fee or commission payable to the entity as compensation for executing the agreed services.

1.14.2.2 INTEREST INCOME

This is income that accrues on a time-proportionate basis on the outstanding balance on overdue debtors, PMG and ABSA accounts.

1.14.2.3 PARKING INCOME

This is income that is earned monthly on shaded car parking allocated to staff members.

1.15 PERSONNEL COSTS

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability of services rendered by employees up to the reporting date.

Termination benefits are recognised when the entity has a present obligation and the amount can be reliably measured.

Liabilities for the annual service bonus and long service bonus are recognised as they accrue to employees. The GPAA recognises bonus obligations during the vesting period, based on the best available estimate of the bonuses expected to vest. Due to uncertainty regarding fiscal constraints, the bonus liability is recognised as a provision.

Liabilities for annual leave are recognised as they accrue to employees. The GPAA recognises leave obligation during the vesting period, based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total number of leave days due to employees at year-end and the total remuneration package of the employee. The leave liability is recognised as an accrual, as it is certain that employees will take all their leave within six (6) months of the next calendar year to avoid forfeiting leave days.

No provision has been made for retirement benefits, as the GPAA does not provide for retirement benefits for its employees.

1.16 PREPAYMENT

Definition
Prepayments are payments made in advance for goods or services that will be received or consumed in future financial periods. These amounts are recognised as assets until the related benefits are realised.

Recognition
A prepayment is recognised as an asset when: The payment has been made prior to the receipt of goods or services, it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the amount of the prepayment can be measured reliably.

Measurement
Prepayments are initially measured at the amount of cash paid or the fair value of the consideration given. On subsequent recognition of the related expense, the prepayment asset is reduced, and the expense is recognised in the Statement of Financial Performance.

1.17 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the PFMA or is in contravention of the entity's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed as such in the notes to the Annual Financial Statements and, where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery. Otherwise, it is not condoned and becomes irrecoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are derecognised when settled or subsequently written-off as irrecoverable.

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain, and which could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is disclosed as such in the notes to the Annual Financial Statements. Where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17.1 RECOVERY OF IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE

The recovery of irregular expenditure, and fruitless and wasteful expenditure is based on legislated procedures. It is recognised when recovery of the expenditure from the responsible officials is probable.

1.19 POST-REPORTING-DATE EVENTS

Events after the reporting date are events that can be either favourable or unfavourable, which occur the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

a) Events that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date).

b) Events that are indicative of conditions that occurred after the reporting date (non-adjusting events after the reporting date).

The entity adjusts the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred.

The entity discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.20 RELATED PARTIES

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party or the ability to exercise significant influence over the other party, or vice versa. It also refers to an entity that is subject to common control or joint control.

Where transactions occurred between the entity and any one or more related parties, and those transactions were not within:

a) normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those that it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and

b) terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

The GPAA operates in an economic environment currently dominated by entities that are directly or indirectly owned by the South African government. All national departments of government and state-controlled entities are regarded as related parties in accordance with Circular 4 of 2005: Guidance on the term "state-controlled entities" in the context of IAS 24 (AC 126) - Related Parties, issued by the South African Institute of Chartered Accountants. Other related party transactions are also disclosed in terms of the requirements of the accounting standard.

Information about these types of transactions is disclosed in the Financial Statements.

1.21 COMMITMENTS

Commitments comprise future expenditure items that the GPAA has committed itself to, but a present obligation for the payment thereof does not exist as at the reporting date. Accordingly, these commitments are not recognised as liabilities and are disclosed in the notes to the Annual Financial Statements.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both of the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services).

- Contracts should relate to something other than the routine, steady, state business of the entity (excluding salary commitments relating to employment contracts).

1.22 CONTINGENT LIABILITIES

A contingent liability is recorded in the notes to the financial statements when there is a possible obligation that arises from past events and where existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are outside the control of the Department. It also applies 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 when the amount of the obligation cannot be measured reliably.

1.23 CONTINGENT ASSETS

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and where its existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are outside the control of the department.

1.24 BUDGET INFORMATION

The GPAA is subject to budgetary limits in the form of budget authorisations, which are given effect through authorising legislation or similar mechanisms.

The general-purpose financial reporting provided by the GPAA provides information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and the period of the approved budget is 1 April to 31 March each year.

The financial statements and budget are prepared on the same basis of accounting, therefore, a comparison of the budgeted amounts to the xxx for the reporting period has been included in the Statement of Comparison of Budget and Actual amounts. Material movements are explained in the Statement of Comparison of Budget and Actual amounts.

2 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Amendments issued by xxx (ASB) are effective for the period commencing on or after 1 April 2026.

GRAP Standards	Title	Impact
GRAP 1	Presentation on Financial Statements	Going concern assessment
GRAP 103	Heritage Assets	No impact
GRAP 105	Transfer of Functions Between Entities Under Common Control	No impact
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	No impact
GRAP 107	Mergers	No impact

3. Property, plant and equipment

Reconciliation of Carrying Value

	2026			2025		
	Cost	Accumulated Depreciation & Impairment	Carrying Value	Cost	Accumulated Depreciation & Impairment	Carrying Value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer Equipment[1]	307,936	(232,821)	75,115	299,589	(218,818)	80,771
Furniture & Fittings	56,660	(39,350)	17,310	49,319	(35,260)	14,059
Leasehold Improvements	42,484	(24,862)	17,622	30,090	(20,638)	9,452
Office Equipment	84,854	(55,267)	29,587	82,349	(50,235)	32,114
Office Equipment: finance lease	17,779	(6,849)	10,930	17,067	(3,391)	13,676
Vehicles	11,268	(7,715)	3,553	11,268	(6,609)	4,659
Vehicles: finance lease	58,350	(24,057)	34,293	58,350	(11,422)	46,928
Tools	97	(78)	19	98	(71)	27
Total	**579,428**	**(390,999)**	**188,429**	**548,130**	**(346,444)**	**201,686**

Included in the carrying amounts is computer equipment amounting to R31 million that is not depreciated as it was not yet ready for use at year-end.

3.1 Reconciliation of Property, Plant and Equipment – 2026

	Carrying Value Opening Balance	Additions	Disposals	Depreciation	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer Equipment	80,771	8,415	(26)	(14,045)	75,115
Furniture & Fittings	14,059	7,341	-	(4,090)	17,310
Leasehold Improvements	9,452	12,394	-	(4,224)	17,622
Office Equipment	32,114	2,506	-	(5,033)	29,587
Office Equipment: finance lease	13,676	713	-	(3,459)	10,930
Vehicles	4,659	-	-	(1,106)	3,553
Vehicles: finance lease	46,928	-	-	(12,635)	34,293
Tools	27	-	-	(7)	20
Total	**201,686**	**31,369**	**(26)**	**(44,599)**	**188,429**

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3.2 Reconciliation of Property, Plant and Equipment – 2025

	Carrying Value Opening Balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying Value Closing Balance R'000
Computer Equipment	51,544	45,385	(50)	(16,108)	80,771
Furniture & Fittings	14,951	3,518	(611)	(3,799)	14,059
Leasehold Improvements	11,747	436	-	(2,731)	9,452
Office Equipment	27,056	12,592	(1,560)	(5,974)	32,114
Office Equipment: finance lease	4,893	12,089	-	(3,306)	13,676
Vehicles	1,910	3,535	-	(786)	4,659
Vehicles: finance lease	31,421	25,604	-	(10,097)	46,928
Tools	35	-	-	(8)	27
Total	**143,557**	**103,159**	**(2,221)**	**(42,809)**	**201,686**

3.3 Repairs and maintenance in respect of property, plant and equipment is as follows:

	2026 R'000	2025 R'000
Computer Equipment	18,061	21,389
Office Equipment	4,972	5,003
Vehicles	4,292	4,418
	27,325	**30,810**

4. Intangible Assets

Reconciliation of Carrying Value

	2026			2025		
	Cost R'000	Accumulated Depreciation & Impairment R'000	Carrying Value R'000	Cost R'000	Accumulated Depreciation & Impairment R'000	Carrying Value R'000
Computer Software	113,614	(107,169)	6,445	122,581	(106,653)	15,928
Licenses	107,807	(69,225)	38,582	109,722	(65,334)	44,388
Internally Generated Software	97,290	(91,443)	5,847	114,479	(102,603)	11,876
Total	**318,711**	**(267,837)**	**50,874**	**346,782**	**(274,590)**	**72,192**

4.1 Reconciliation of Intangible Assets – 2026

	Carrying Value Opening Balance R'000	Additions R'000	Amortisation R'000	Carrying Value Closing Balance R'000
Computer Software	15,928	-	(9,483)	6,445
Licenses	44,388	62,669	(68,475)	38,582
Internally Generated Software	11,876	-	(6,029)	5,847
Total	**72,192**	**62,669**	**(83,987)**	**50,874**

4.2 Reconciliation of Intangible Assets – 2025

	Carrying Value Opening Balance R'000	Additions R'000	Amortisation R'000	Carrying Value Closing Balance R'000
Computer Software	25,555	-	(9,627)	15,928
Licenses	29,639	100,788	(86,039)	44,388
Internally Generated Software	17,905	-	(6,029)	11,876
Total	**73,099**	**100,788**	**(101,695)**	**72,192**

5. Inventory

	2026 R'000	2025 R'000
Inventory	2,426	2,540
	2,426	**2,540**

Inventory consists of consumables.

Inventory expenses for the year are as follows:

	2026 R'000	2025 R'000
Inventory	5,868	6,361
	5,868	**6,361**

6. Trade and Other Receivables from Exchange Transactions

	2026 R'000	2025 R'000
Non-current	40,614	42,107
Current	45,413	246,182
	86,026	**288,289**

Non-current receivables of R41 million (2025: R42 million) correspond to an equivalent amount of non-current liabilities. In line with the GPAA's cost recovery model, revenue is recognised based on costs incurred. Accordingly, long-term costs arising from non-current liabilities, such as lease obligations, give rise to matching non-current receivables from customers, as these amounts are recoverable under the cost recovery arrangement. These receivables will be settled when the long-term liabilities are due for settlement to ensure GPAA has cash to settle these liabilities.

	2026		
	Gross Balance R'000	Expected Credit Losses R'000	Net Balance R'000
Trade receivables	46,354	-	46,354
Staff debtors	190	-	190
Other debtors	41,714	(2,231)	39,483
	88,258	(2,231)	**86,027**

	2025		
	Gross Balance R'000	Provision for Doubtful Debts R'000	Net Balance R'000
Trade receivables	214,507	-	214,507
Staff debtors	325	-	325
Other debtors	75,414	(1,957)	73,457
	290,246	**(1,957)**	**288,289**

6.1 Ageing: Trade and Other Receivables from Exchange Transactions – 2026

	Trade Receivables R'000	Staff Debtors R'000	Other Debtors R'000	Total R'000
Current (0 – 30 days)	4,156	-	528	4,684
31 - 60 days	56	-	997	1,053
61 - 90 days	-	1	5	6
Over 90 days	42,142	189	40,184	82,515
	46,354	**190**	**41,714**	**88,258**
Expected credit losses	-	-	(2,231)	(2,231)
	46,354	**190**	**39,483**	**86,027**

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

6.2 Ageing: Trade and Other Receivables from Exchange Transactions – 2025

	Trade Receivables R'000	Staff Debtors R'000	Other Debtors R'000	Total R'000
Current (0 – 30 days)	208,485	-	73,285	281,770
31 - 60 days	5,898	-	71	5,969
61 - 90 days	-	-	30	30
Over 90 days	124	325	2,028	2,477
	214,507	**325**	**75,414**	**290,246**
Provision for doubtful debts	-	-	(1,957)	(1,957)
	214,507	**325**	**73,457**	**288,289**

6.3 Trade and Other Debtors not Impaired

The carrying value of trade and other receivables approximates the fair value. The GPAA's service charges are payable on demand. An allowance for credit losses is raised for all outstanding trade receivables if the information obtained indicates impairment. The allowance is subsequently utilised if it is determined that all avenues of recoverability have been applied.

	2026				
	Current	31 – 60 days	61 – 90 days	91+ days	Total
Credit quality					
Trade receivables	4,156	56	-	42,142	**46,354**
Staff debtors	-	-	1	189	**190**
Other debtors	528	997	5	37,953	**39,483**
	4,684	**1,053**	**6**	**80,284**	**86,027**

	2025				
	Current	31 – 60 days	61 – 90 days	91+ days	Total
Credit quality					
Trade receivables	208,485	5,898	-	124	214,507
Staff debtors	-	-	-	325	325
Out of service staff debtors	73,285	71	30	71	73,457
	281,770	**5,969**	**30**	**520**	**288,289**

6.4 Reconciliation of Expected Credit Losses

	2026 R'000	2025 R'000
Balance at beginning of the year	(1,957)	(1,970)
Contributions to provision	(274)	-
Reversal of provision	-	13
	(2,231)	**(1,957)**

7. Payments in advance

	2026 R'000	2025 R'000
7.1 Rental deposits	422	422
7.2 Prepayments	12,166	16,383
	12,588	**16,805**

Rental deposits relate to office leasing and are refundable. Prepaid expenses relate mainly to consulting services, computer services, and staff uniforms. The prepayments are expensed or capitalised on receipt of the goods or services.

8. Cash and Cash Equivalents

	2026 R'000	2025 R'000
Payment Master General (PMG)	60,649	97,569
ABSA Bank	5,471	11,844
Petty cash	284	285
	66,404	**109,698**

9. Finance Lease Liability

	2026 R'000	2025 R'000
Non-current liabilities	40,064	41,811
Current liabilities	32,633	3,381
	72,697	**45,192**

The maturity analysis of future lease payments outstanding at the reporting date.

	2026		
	Minimum lease payments R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Lease payments not later than one year	96,700	(64,067)	32,633
Lease payments later than one year but not later than five years	118,095	(78,031)	40,064
Total future lease payments	**214,795**	**(142,098)**	**72,697**

	2025		
	Minimum lease payments R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Lease payments not later than one year	67,313	(63,932)	3,381
Lease payments later than one year but not later than five years	179,290	(137,479)	41,811
Total future lease payments	**246,603**	**(201,411)**	**45,192**

The GPAA entered into lease agreements to acquire vehicles (buses used as mobile offices for outreach programmes) and specialised office equipment (X-ray machines) to support operations. The lease period is five years, with monthly lease instalments. The vehicle lease instalment does not change during the lease period, while payments for the office equipment increase by 7% annually. These arrangements allow the GPAA to use essential assets without paying the full purchase cost upfront. The related finance lease assets are disclosed in Note 3.

10. Trade and Other Payables from Exchange Transactions

	2026 R'000	2025 R'000
Trade creditors	56,872	112,367
Accruals	64,148	58,907
Unknown deposits	1,419	1,379
Bonus accrual	15,507	14,143
Sundry creditors	691	238
	138,637	**187,034**

10.1 Ageing: Trade and Other Payables from Exchange Transactions – 2026

	Trade creditors R'000	Accruals R'000	Sundry creditors R'000	Total R'000
Current (0 – 30 days)	49,092	64,148	691	113,931
31 - 60 days	219	-	-	219
61 - 90 days	-	-	-	-
91 - 120 days	7,561	-	-	7,561
Over 120 days	-	-	-	-
	56,872	**64,148**	**691**	**121,711**

10.2 Ageing: Trade and Other Payables from Exchange Transactions – 2025

	Trade creditors R'000	Accruals R'000	Sundry creditors R'000	Total R'000
Current (0 – 30 days)	110,432	58,907	238	169,577
31 - 60 days	-	-	-	-
61 - 90 days	-	-	-	-
91 - 120 days	-	-	-	-
Over 120 days	1,935	-	-	1,935
	112,367	**58,907**	**238**	**171,512**

11. Operating Lease Liability

	2026 R'000	2025 R'000
Non-Current liabilities	550	297
Current liabilities	317	1,331
	867	**1,628**

The GPAA's significant operating leases relate to property rented for office premises. The rentals have a fixed monthly payments and escalation clauses are based on market related rates that vary between 6% and 8%.

The leases are usually for a period of three to five years. The leases are non-cancellable, and some contain an option to renew the lease for a further period at the end of the original lease term. The cash flow from operating lease

commitments is monthly and is in line with the signed lease agreements.

Future minimum lease payments to be made under non-cancellable operating leases are as follows:

	2026 R'000	2025 R'000
Payables not later than one year	37,095	41,390
Payables later than one year but not later than five years	40,158	326,572
Payables later than five years	-	553,161
	77,253	**921,123**

12. Provisions

	2026 R'000	2025 R'000
Provision for leave pay		
Opening Balance BOY	28,060	24,984
Provided	25,463	28,060
Utilised	(28,060)	(24,984)
	25,463	**28,060**

13. Revenue from Exchange Transactions

13.1 Administration Income

	2026 R'000	2025 R'000
GEPF	1,177,056	1,655,754
National Treasury (Programme 7)	67,308	68,010
AIPF	-	7,199
TEPF	-	226
DMV	333	259
	1,244,698	**1,731,448**

The GPAA earns its entire administration fees from the principal-agent arrangements with GEPF, Department of Millitary Veterans and National Treasury on a cost recovery basis. Refer to note 1.6

13.2 Other Income

	2026 R'000	2025 R'000
Commission income	230	173
Interest income	7,920	9,140
Parking income	23	24
Settlement income	-	400
	8,173	**9,737**

14. Personnel Costs

	2026 R'000	2025 R'000
Compensation of employees	478,818	482,417
Contributions to GEPF	53,857	49,339
Other benefits	135,742	107,938
	668,417	**639,694**

14.1 Other Benefits

	2026 R'000	2025 R'000
Employer contribution to medical aid	41,859	36,845
Service bonus	33,012	29,614
Non-pensionable allowance	14,123	14,060
House owner's allowance	17,117	14,963
Early retirement programmes incentives	19,190	-
Other	10,442	12,456
	135,743	**107,938**

The GPAA participated in Phase 1 of the ERP and VER programmes. The ERP and VER programmes allow employees aged 55 to 59 and 60 to 63, respectively, who wish to exit the public service to apply for early retirement and voluntary exit without penalisation of pension benefits in terms of section 16(6) of the PSA.

Expenditure funded by GPAA on behalf of National Treasury

	2026 R'000	2025 R'000
Early retirement programme (ERP) incentives	12,621	-
Voluntary exit retirement (VER)programme incentives	2,708	-
Leave gratuity	3,228	-
Pro-rata service bonus	633	-
	19,190	**-**

15. Finance Costs

	2026 R'000	2025 R'000
Finance leases	64,269	57,645
	64,269	**57,645**

16. Reconciliation of net cash flows from operating activities to surplus for the period

	2026 R'000	2025 R'000
(Deficit)/Surplus for the year	**(260,213)**	**129,611**

Adjustments for:	**189,798**	**203,081**
Depreciation and amortisation	128,585	144,504
Increase in lease smoothing	(761)	(3,162)
Increase/(Decrease) in provision for leave	(2,597)	3,076
Loss on disposal property, plant and equipment	26	1,031
Finance costs	64,269	57,645
Increase/(Decrease) in provision for doubtful debts	275	(13)
Add/(less) changes in working capital	**157,922**	**(93,237)**
(Decrease)/Increase in trade payables	(48,398)	30,532
Decrease in prepayments	4,217	3,531
Decrease/(Increase) in trade receivables	201,989	(127,249)
Decrease/(Increase) in Inventories	114	(51)
Net Cash Flows from Operating Activities	**87,506**	**239,455**

17. Commitments

	2026 R'000	2025 R'000
Capital expenditure	68,515	198,765
	68,515	**198,765**

18. Contingent Liabilities

	2026 R'000	2025 R'000
Commercial disputes	52,400	-
	52,400	**-**

Commercial disputes relate to various claims instituted against GPAA by service providers arising from contractual and operational disagreements in the ordinary course of business. These matters are subject to ongoing legal and dispute resolution processes, and management continues to assess the potential financial implications thereof based on available information and legal advice.

19. Irregular Expenditure

19.1 Irregular expenditure and fruitless and wasteful expenditure

	2026 R'000	2025 R'000
Irregular expenditure incurred in the current year	1,704	48,549
Fruitless and wasteful expenditure incurred in the current year	1,956	96,883
	3,660	**145,432**

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

19.2 Disciplinary steps taken as a result of irregular expenditure

Details of the irregular expenditure	Corrective steps taken	2026	2025
		R'000	R'000
Foreign travel by officials without approval.	Assessment to be conducted.	555	-
Group D vehicles hired contrary to approved Group B vehicles as per policy.	Assessment to be conducted.	2	-
Contravention of PPPFA.	Assessment test under the consideration of Loss and Control Committee.	-	484
Services received without approved contract.	Assessment to be conducted.	1,147	4,413
Non-compliance of procurement quotation process.	Assessment test under the consideration of Loss and Control Committee.	-	716
Non-compliance in the bidding process.	The expenditure has been condoned.	-	6,800
Services rendered without a valid contract.	Assessment test under the consideration of Loss and Control Committee.	-	2,945
Supply Chain Management procedures not followed.	Investigation completed and officials disciplined.	-	-
Non-compliance with quotations.	To be investigated.	-	-
Expenditure relating to contract signed without delegation of authority.	To be investigated.	-	19,931
Appointment of a service provider not on the Central Supplier Database (CSD).	To be investigated.	-	12,889
Non-Compliance with Preferential Procurement Regulations resulting in award made to the most expensive supplier.	To be investigated.	-	125
Awards made to bidders who were not tax compliant at the date of award.	To be investigated.	-	246
Supply chain management procedures not followed.	To be investigated.	-	-
		1,704	**48,549**

Irregular expenditure identified during the year was detected through management's internal control and compliance monitoring processes and recorded in the Irregular Expenditure Register. Management has initiated assessments and corrective actions to address the root causes of the identified instances of non-compliance and to strengthen preventative controls.

It should further be noted that the audit process for the 2024/25 financial year was concluded on 30 November 2025, resulting in a relatively short implementation period before the end of the 2025/26 financial year. Consequently, management had limited opportunity to fully implement and assess the effectiveness of additional remedial interventions during the reporting period.

19.3 Disciplinary steps taken as a result of fruitless and wasteful expenditure

Details of the fruitless and wasteful expenditure	Corrective steps taken	2026	2025
		R'000	R'000
Accommodation paid in vain.	Assessment to be conducted.	9	-

Details of the fruitless and wasteful expenditure	Corrective steps taken	2026	2025
		R'000	R'000
Subscription licenses paid for system not used.	Assessment to be conducted.	946	-
Project not completed and deliverables not delivered.	Assessment to be conducted.	629	-
System module paid for but not in use.	Assessment to be conducted.	234	-
Interest charged on late payment on rental invoice.	Assessment to be conducted.	139	
Failure to deliver services as per the signed contracts for the Brooklyn Office building, as the lessor had no ownership of/ or access to the building. The total contract value is approximately R1,2 billion.	The matter remains under investigation at the reporting date.	-	35,903
Architectural design and space planning services rendered for the Brooklyn Office building, which is not available for lease as it is not owned by the landlord, thereby rendering the designs and plans unusable.	Matter remains under investigation at the reporting date.	-	26,611
Payment made under the Biometric contract for a "Customer initiation fee", with no services rendered.	Matter remains under investigation at the reporting date.	-	13,282
Lease payments made for the Biometric solution without valid approval, and a contract to support the lease payment in a deal that approximates R500 million.	Matter remains under investigation at the reporting date.	-	9,105
Payment made under the Net Promoter Score (NPS) project, with no goods or services delivered by the service provider more than a year after payment.	Matter remains under investigation at the reporting date.	-	11,965
Non-Compliance with Preferential Procurement Regulations, resulting in an award being made to the most expensive supplier.	Matter remains under investigation at the reporting date.	-	17
		1,956	**96,883**

Fruitless and wasteful expenditure identified during the year was detected through management's monitoring and review processes, recorded in the Fruitless and Wasteful Expenditure Register. Upon identification, management-initiated assessments to determine the root causes of the expenditure, evaluate value-for-money considerations, and identify appropriate corrective actions to mitigate the risk of recurrence.

Furthermore, the audit process for the 2024/25 financial year was finalized on 30 November 2025, resulting in a relatively short implementation period before the end of the 2025/26 financial year. Consequently, while corrective measures were initiated, certain interventions had not yet been in operation for a sufficient period to enable management to fully assess and demonstrate their effectiveness during the reporting period.

20. Losses through criminal conduct

As at the reporting date, the GPAA is not aware of any net losses incurred because of criminal acts.

21. Financial Risk Management and Financial Instruments

21.1 Categories of financial instruments

	2026 R'000	2025 R'000
Non-current and Current assets		
Cash and cash equivalents	66,404	109,698
Trade and other receivables from exchange transactions	45,412	288,289
	111,816	**397,987**
Current liabilities		
Trade and other payables from exchange transactions	138,637	187,034
	138,637	**187,034**

21.2 Credit Risk

GPAA's maximum exposure to credit risk is represented by the carrying amount of the financial assets that are exposed to credit risk.

GPAA considers its maximum exposure per class to be as follows, without considering any collateral or financial guarantees:

	2026 R'000	2025 R'000
Non-current and Current assets		
Cash and cash equivalents	66,404	109,698
Trade and other receivables from exchange transactions	45,412	288,289
	111,816	**397,987**

Cash and cash equivalents

Financial assets that potentially subject GPAA to credit risk are principally cash and cash equivalents. Cash and cash equivalents are held with banks with a high-quality credit standing, with an insignificant credit risk. Refer to note 8 on cash and cash equivalents.

Receivables

Receivables are presented net of the allowance for doubtful debt.

Receivables are exposed to a low credit risk, as the bulk of receivables are mainly the GEPF, National Treasury, AIPF and TEPF. The only amounts overdue are other receivables, which are insignificant. Refer to note 6 - Loans and Receivables.

21.3 Liquidity Risk

Liquidity risk is the risk that the GPAA will be unable to meet its obligations when they become due. GPAA's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the organisation's reputation.

GPAA ensures it has sufficient cash on demand to meet expected operational expenses, and the GPAA is currently maintaining a positive cash position. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The following liquid resources are available:

	2026 R'000	2025 R'000
Financial Assets		
Cash and cash equivalents	66,404	109,698
Trade and other receivables from exchange transactions	45,412	288,289
	111,816	**397,987**

Payables

GPAA is only exposed to liquidity risk regarding payment of its payables. These payables are all due within the short term. GPAA manages its liquidity risk by matching the receivables to the payables and by holding cash in the bank.

The following are the contractual cash flows of financial liabilities:

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Total
	R'000	R'000	R'000	R'000
2026				
Trade and other payables	113,931	219	7,561	121,711
	111,931	**219**	**7,561**	**121,711**

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Total
	R'000	R'000	R'000	R'000
2025				
Trade and other payables	169,577	-	1,935	171,512
	169,577	**-**	**1,935**	**171,512**

21.4 Market Risk

Market risk is the risk that changes in market prices (interest rate and currency risk) will affect the organisation's income or the value of the financial instruments held. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Interest rate risk
Interest rate risk is the risk borne by an interest-bearing asset or liability, due to variability in interest rates.
At the reporting date, the interest rate profile of the GPAA's interest-bearing financial instruments was:

	2026		2025	
	Fixed rate instruments	Variable rate instruments	Fixed rate instruments	Variable rate instruments
	R'000	R'000	R'000	R'000
Cash and cash equivalents	-	66,404	-	109,698
	-	**66,404**	**-**	**109,698**

Sensitivity analysis

GPAA uses a sensitivity analysis technique that measures the estimated change to surplus or deficit of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates. GPAA is only exposed to fluctuations in prime rates.

A change in the above market interest rates at the reporting date would have increased/ (decreased) the surplus/ deficit by the amounts shown below.

	2026		2025	
Change in interest rate %	Upward	Downward	Upward	Downward
Prime	664	(664)	1,097	(1,097)

Currency risk

Currency risk is the exposure to exchange rate fluctuations that have an impact on cash flows and financing activities.

GPAA did not have any currency risk exposure at the end of the financial year, as none of its financial assets and financial liabilities are denominated in foreign currency.

22. Related Party Transactions

22.1 Revenue and Trade Receivables

Related Party transactions relate to administrative fees earned for services provided in respect of GEPF, DMV and National Treasury funds (i.e. Programme 7, AIPF and TEPF):

	Revenue		Net Receivable/(Payable)	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
GEPF	1,177,056	1,655,754	-	195,501
National Treasury (Programme 7)	67,308	68,010	5,628	11,172
AIPF	-	7,199	-	7,199
TEPF	-	226	-	226
DMV	333	259	112	410
	1,244,698	**1,731,448**	**5,740**	**214,508**

22.2 Expenditure and Trade Payables

Description	Expenditure		Balances	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Public Investment Corporation Limited	7,265	5,878	198	198
GEPF	-	-	-	36,243
	7,265	**5,878**	**198**	**36,441**

22.3 Disclosure of Executive Remuneration

Name	Designation	2026			2025		
		Salary and allowances	Bonus	Total	Salary and allowances	Bonus	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Madiehe, K.O.	Chief Executive Officer[1]	2,590	-	**2,590**	2,488	-	**2,488**
Mngomezulu S.	Acting Chief Executive Officer[2]	-	-	**-**	-	-	**-**
Molebatsi, K.A.	Acting Chief Financial Officer[1]	164	-	**164**	1,466	-	**1,466**
Coetzee, M.	Chief Information Officer	1,577	-	**1,577**	1,495	-	**1,495**
Kgoele, L.	Chief Risk Officer	1,577	-	**1,577**	1,493	-	**1,493**
Kemp, M.J.	General Manager: Human Resources	1,904	-	**1,904**	1,801	-	**1,801**
Mda, P.	General Manager: Finance	1,707	-	**1,707**	1,644	-	**1,644**
Nieuwoudt, L.	General Manager: Management Support	1,712	-	**1,712**	1,623	-	**1,623**
De Witt, E.	General Manager: Legal	1,775	-	**1,775**	1,683	-	**1,683**
Jonathan, K.	Acting General Manager: Non-Contributory Funds[3]	1,519	-	**1,519**	-	-	**-**
Mpye, Y.	Acting General Manager: Employee Benefits	1,525	-	**1,525**	1,587	-	**1,587**
Morudu, E.	Acting General Manager: CRM[1]	610	-	**610**	1,439	-	**1,439**
Mngqibisa, M.	General Manager: Non-Contributory Funds[4]	-	-	**-**	1,735	-	**1,735**
Malimela, S.	Acting Chief Financial Officer[5]	664	-	**664**	-	-	**-**
Kekana, E.	Acting General Manager: CRM[6]	702	-	**702**	-	-	**-**
Lindeque, M.	Acting General Manager: CRM[6]	793	-	**793**	-	-	**-**
Kgole, K.	Acting Chief Audit Executive[8]	583	-	**583**			
Sennelo, M.	Chief Audit Executive[7]	686	-	**686**	1,248	-	**1,248**
		20,088	**-**	**20,088**	**19,702**	**-**	**19,702**

1 [1&] Placed on precautionary suspension from 22 August 2025
2 Appointed from 25 August 2025
3 Appointed from 1 April 2025
4 Retired 31 March 2025
5 Appointed from 1 October 2025
6 Appointed from 2 October 2025, Mr. Lindeque retired on 31 March 2026
7 Appointed from 6 October 2025, Ms. Sennelo resigned on 30 September 2025

22.4 Audit Committee Members Remuneration

Name	Designation	2026			2025		
		Audit Committee	Risk Committee	Total	Audit Committee	Risk Committee	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Mzizi, P.S.	Chairperson	357	-	**357**	288	-	**288**
Sinthumule, A.F.	Member	357	-	**357**	288	-	**288**
Muhammed, A.E.A.	Chairperson RMC	21	129	**150**	23	134	**157**
De Kock, C.G.	Member RMC	7	108	**115**	-	103	**103**
Van Der Nest, D.P.	Member	353	-	**353**	248	-	**248**
		1,095	**237**	**1,332**	**847**	**237**	**1,084**

23. Segment Reporting

The GPAA has identified its reportable segments based on the clients for whom it administers pension funds. Accordingly, the two segments are GEPF – administered on behalf of the GEPF; and National Treasury – which includes Civil and Military Pensions, AIPF and TEPF, administered on behalf of National Treasury. Segment information is reported on an accrual basis, consistent with the approach used for budget preparation. Certain items—including non-current assets, inventory, prepayments, cash and cash equivalents, other income, depreciation and amortisation, and gains or losses on the disposal of assets—are not allocated to specific segments. This is due to the unavailability of detailed cost data at the segment level.

23.1 Statement of Financial Position per Segment

	Notes	2026				2025			
		GEPF	National Treasury	Items not allocated to segments	Total	GEPF	National Treasury	Items not allocated to segments	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Non-Current Assets		40,614	-	239,725	280,339	42,107	-	274,300	316,407
Current Assets		-	5,740	120,668	126,408	153,393	19,008	202,402	374,803
TOTAL ASSETS		**40,614**	**5,740**	**360,393**	**406,747**	**195,500**	**19,008**	**476,702**	**691,210**
Non-Current Liabilities		40,614	-	-	40,614	41,920	188	-	42,108
Current Liabilities		191,189	4,442	1,420	197,050	213,193	5,234	1,379	219,806
Accumulated Surplus		-	-	169,083	169,083	-	-	429,296	429,296
TOTAL LIABILITIES AND RESERVES		**231,803**	**4,442**	**170,502**	**406,747**	**255,113**	**5,422**	**430,675**	**691,210**

23.2 Statement of Financial Performance per Segment

	Notes	2026				2025			
		GEPF	National Treasury	Items not allocated to segments	Total	GEPF	National Treasury	Items not allocated to segments	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions		**1,177,056**	**67,642**	**8,173**	**1,252,871**	**1,655,754**	**75,694**	**9,737**	**1,741,185**
Administration income		1,177,056	67,642	-	1,244,698	1,655,754	75,694	-	1,731,448
Other income		-	-	8,173	8,173	-	-	9,737	9,737
Expenditure		**1,316,858**	**67,641**	**128,585**	**1,513,084**	**1,392,815**	**74,255**	**144,504**	**1,611,574**
Personnel costs		600,776	67,641	-	668,417	569,132	70,562	-	639,694
Depreciation and amortisation		-	-	128,585	128,585	-	-	144,504	144,504
Other operating expenses		716,082	-	-	716,082	823,683	3,693	-	827,376
Surplus/(Deficit) for the period		**(139,052)**	**-**	**(120,412)**	**(260,213)**	**262,939**	**1,439**	**(134,767)**	**129,611**

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