



annual report

25



the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

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PART A: GENERAL INFORMATION

2024/25



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LIST OF ABBREVIATIONS / ACRONYMS

AC:	Audit Committee
ACFO:	Acting Chief Financial Officer
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
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CLO:	Client Liaison Officer
CRM:	Client Relationship Management
DBC:	Departmental Bargaining Chamber
DMV:	Department of Military Veterans
DPSA:	Department of Public Service and Administration
EE:	Employment Equity
EHW:	Employee Health and Wellness
GEP:	Government Employees Pension
GEPF:	Government Employees Pension Fund
GPAA:	Government Pensions Administration Agency
GRAP:	Generally Recognised Accounting Practice
HATM:	HIV, AIDs and TB Management
HPM:	Health and Productivity Management
HR:	Human Resources
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

MIS:	Management Information System
MTSF:	Medium-Term Strategic Framework
NDP:	National Development Plan
NSG:	National School of Government
NT:	National Treasury
OHSA:	Occupational Health and Safety Act
ORW:	Other Remunerative Work
PC:	Portfolio Committee
PDP:	Past Discrimination Pension
PFMA:	Public Finance Management Act
PMDS:	Performance Management Development System
PMO:	Project Management Office
PSC:	Public Service Commission
PSCBC:	Public Service Coordinating Bargaining Council
PSR:	Public Service Regulations
PSWMW:	Public Service Women Management Week
RMC:	Risk Management Committee
SAPS:	South African Police Service
SCM:	Supply Chain Management
SHERQ:	Safety, Health, Environment, Risk and Quality
SLA:	Service Level Agreement
SOP:	Standard Operating Procedure
SP:	Strategic Plan
SSA:	State Security Agency
TBVC:	Transkei, Bophuthatswana, Venda and Ciskei
TEPF:	Temporary Employees Pension Fund
WAN:	Wide Area Network
WM:	Wellness Management

FOREWORD

BY THE MINISTER OF FINANCE

The GPAA, implemented the Two-Pot system from 1 September 2024. We processed 564 547 claims to the value of **R15 billion.**



Enoch Godongwana
MINISTER OF FINANCE

As we complete the first year of the Government of National Unity, I hereby take this time to present the Annual Report of the Government Pensions Administration Agency (GPAA) for the 2024/2025 financial year. This Annual Report presents the opportunity to showcase service improvement which is at the core of the democratic order.

The GPAA remains committed to the mandate of ensuring that the Government Employees Pension Fund (GEPF), National Treasury's Programme 7 and the Military Veterans funds and benefits are administered efficiently and effectively. Amongst others, the GPAA administered the Military Veterans related pensions that honour and recognise those who fought for the freedom of our country.

During the period under review, the Parliament ratified the Pension Funds Amendment Act (31 of 2024), which ushered in the implementation of the Two-Pot retirement system across the retirement fund industry. This system aims to provide pension fund members partial access to their benefits. It is anticipated that the amendment to the pension legislation will contribute to the reduction of cases in which members previously resigned from their positions solely to access their benefits and address financial constraints.

The GPAA, implemented the Two-Pot system from 1 September 2024. We processed 564 547 claims to the value of R15 billion. This has given our members the opportunity to access the partial amount of their pension.

THE GPAA REMAINS COMMITTED TO THE MANDATE OF ENSURING THAT THE GOVERNMENT EMPLOYEES PENSION FUND (GEPF), NATIONAL TREASURY'S PROGRAMME 7 AND THE MILITARY VETERANS FUNDS AND BENEFITS ARE ADMINISTERED EFFICIENTLY AND EFFECTIVELY.



Media campaigns and outreach programmes are used to trace rightful beneficiaries. These efforts have helped the entity to pay R160 million to more than 8 000 beneficiaries during the period under review.

Unclaimed Benefits remains a concern and a major challenge for the GPAA. The strategy to reduce the Unclaimed Benefits account continues to be implemented and it is beginning to bear fruit. A national awareness campaign was rolled out to encourage all stakeholders, including community-based organisations and government entities, to work with the GPAA to ensure that the Unclaimed Benefits account is reduced. Media campaigns and outreach programmes are used to trace rightful beneficiaries. These efforts have helped the entity to pay R160 million to more than 8 000 beneficiaries during the period under review.

The year under review has presented significant challenges, primarily concerning

certain contracts undertaken by the entity. These matters have attracted public attention and are being urgently investigated by the Ministry and the Department to establish whether any wrongdoing has occurred. We have never shied away from taking necessary remedial action when required, nor shall we do so now.

Safeguarding the integrity of our institution and maintaining the confidence of our pension holders remain our highest priorities.

We are working diligently to conclude our investigations and have endeavoured to keep all stakeholders informed throughout this process.

I wish to express my sincere gratitude to the staff of the GPAA for their sterling work, dedication, and unwavering commitment to serving our members, beneficiaries, and pensioners with dignity and diligence

ENOCH GODONGWANA
MINISTER OF FINANCE
30 November 2025

ACCOUNTING

OFFICER'S NOTE

The key highlights included an average of **94.78%** of benefits paid on time after receipt of duly completed documentation (GEPF: 89.57% and National Treasury: 99.99%), and an average of **99.89%** of new members being admitted within the target period of 14 working days.



Stadi Mngomezulu

ACTING CEO

It is my pleasure to present the Annual Report of the Government Pensions Administration Agency (GPAA) for the 2024/2025 financial year. The GPAA administers benefits on behalf of the GEPF, which had an active membership of 1 267 539 members and 362 097 pensioners as at 31 March 2025. Contributions received for the financial year amounted to approximately R94.433 billion, while benefits paid out to beneficiaries amounted to R163.92 billion. The GPAA also administers non-contributory civil pension benefits on behalf of the National Treasury and the Department of Military Veterans.

The vision of the GPAA is to have a customer and client base that is satisfied, served, valued, dignified, cared for and empowered. The main goal is to efficiently administer pensions and pay benefits on time to the right members and beneficiaries. The GPAA has over the years embarked on a modernisation programme, which is one of the organisation's business and process improvement vehicles. The self-service web-based application and the Pensioner Case Management (PCM) system through which employer departments can submit exit application documents for members, are some of the achievements of this programme.

During the financial year under review, the GPAA achieved most of the targets set for its predetermined outcomes, with 21 of the 25 (84.00%) performance targets achieved. The key highlights included an average of 94.78% of benefits paid on time after receipt of duly completed documentation (GEPF: 89.57% and National Treasury: 99.99%), and an average of 99.89% of new members being admitted within the target period of 14 working days. Furthermore, 100% of clients who visited the GPAA offices across the country were attended to, and 94.22% of calls received by the Call Centre were resolved during the first contact call.

As an organisation, we remain determined to take our services to the people. We have therefore made efforts to reach out and be accessible to all our clients across South Africa, thereby ensuring a footprint of 16

SOUND GOVERNANCE AND EFFECTIVE ADMINISTRATION ARE CRITICAL IN THE PUBLIC SERVICE.

Client Service Centres, three co-locations throughout the country, as well as a Call Centre. The clients who received our services through face-to-face interaction or the Call-Centre rated the GPAA at an average of 94.50% for client service levels on the services received, outreach programmes and media campaigns.

In the year under review, the GPAA continued to successfully utilise the automated interfaces with the South African Revenue Service (SARS), the Department of Home Affairs (DoHA) and National Treasury SafetyWeb. The interfaces enable efficient verification of benefits for members and pensioners and enable timeous processing of the tax certificates required to process benefits.

Sound governance and effective administration are critical in the public service. In this regard, the GPAA employs governance measures aimed at ensuring that we comply with the legislative prescripts that regulate our work. GPAA has rigorously attended to concerns raised by the Auditor-General, the Audit Committee and the Risk Management Committee on a quarterly basis. GPAA has put systems in place to ensure compliance with Supply Chain Management (SCM) legislation. All SCM practitioners are required to complete the financial disclosure process through the government e-Disclosure system. During the year under review, there were no unsolicited bids concluded; however, the management team recognises the need to continually strengthen internal controls.



In the year under review, GPAA reported irregular expenditure amounting to R82.046 million in the 2024/25 Annual Financial Statements. This comprised an opening balance of R40.297 million, with a further R48.549 million incurred during the current financial year. During the period, R6.8 million in irregular expenditure was successfully condoned. In addition, GPAA incurred fruitless and wasteful expenditure of R96.883 million in the same period.

GPAA remains committed to strengthening the control environment and ensuring full compliance with regulatory and governance requirements. To this end, GPAA is intensifying efforts to review and improve internal processes, enhance oversight mechanisms, and provide targeted training to employees. These measures are aimed at preventing recurrence of and promoting a culture of accountability and prudent financial management across the organization.

I hereby express my gratitude to the Ministry of Finance and the National Treasury who have been supportive to the GPAA. We appreciate and continue to rely on their support and leadership.

My special gratitude also goes to the GPAA's Executive Committee, Management Committee and the entire staff for their support and continued dedication to providing quality services to our clients and stakeholders. The past financial year has not been a smooth sailing, but the team managed to remain focused in carrying out the mandate of the GPAA.

Stadi Mngomezulu
GPAA Acting Chief Executive Officer
30 November 2025

ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of responsibility and confirmation of accuracy of the Annual Report for the year ended 31 March 2025.

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

The Accounting Officer 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 HR information and the financial affairs of the organisation for the financial year ended 31 March 2025.

Yours faithfully



Stadi Mngomezulu

ACTING CHIEF EXECUTIVE OFFICER

Government Pensions Administration Agency

30 November 2025

1. STRATEGIC OVERVIEW

1.1 Introduction

The Government Pensions Administration Agency (GPAA) is a government component and an entity of National Treasury. 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 National Treasury's Programme 7. In this regard, the GPAA plays a critical 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.

VISION

A customer and client base that is satisfied, served, valued, dignified, cared for and empowered.

MISSION

To provide administration services to the GEPF and the funds and schemes related to National Treasury's Programme 7.

VALUES

GPAA VALUES

VALUE	DESCRIPTION
Transparency	We undertake to be open and accountable for effective decision-making in our engagements with all our stakeholders.
Respect	We are committed to treating everyone with dignity, equality and trust.
Integrity	We act fairly, ethically and openly in all we do.
Courtesy	We treat our stakeholders and clients with consideration, compassion and kindness.
Service excellence	We are committed to giving our clients quality services.
Passion	We serve our clients with passion and understanding.

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 of 1994 (Proclamation No. 103 of 1994) and its finances are regulated by the Public Finance Management Act (PFMA). The mandate of the GPAA is to administer pension funds for the GEPF and National Treasury's Programme 7. As such, the funding for the GPAA to deliver on its mandate is derived from both the GEPF and NT. The mandate positions the GPAA as a strategic agency in terms of government's commitment to ensuring that public servants are financially secure when they retire.

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. 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 Strategic Framework (MTSF), 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 MTSF of 2019-2024. By implementing its SP, the organisation contributed

to the delivery of the electoral mandate of the sixth 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 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.

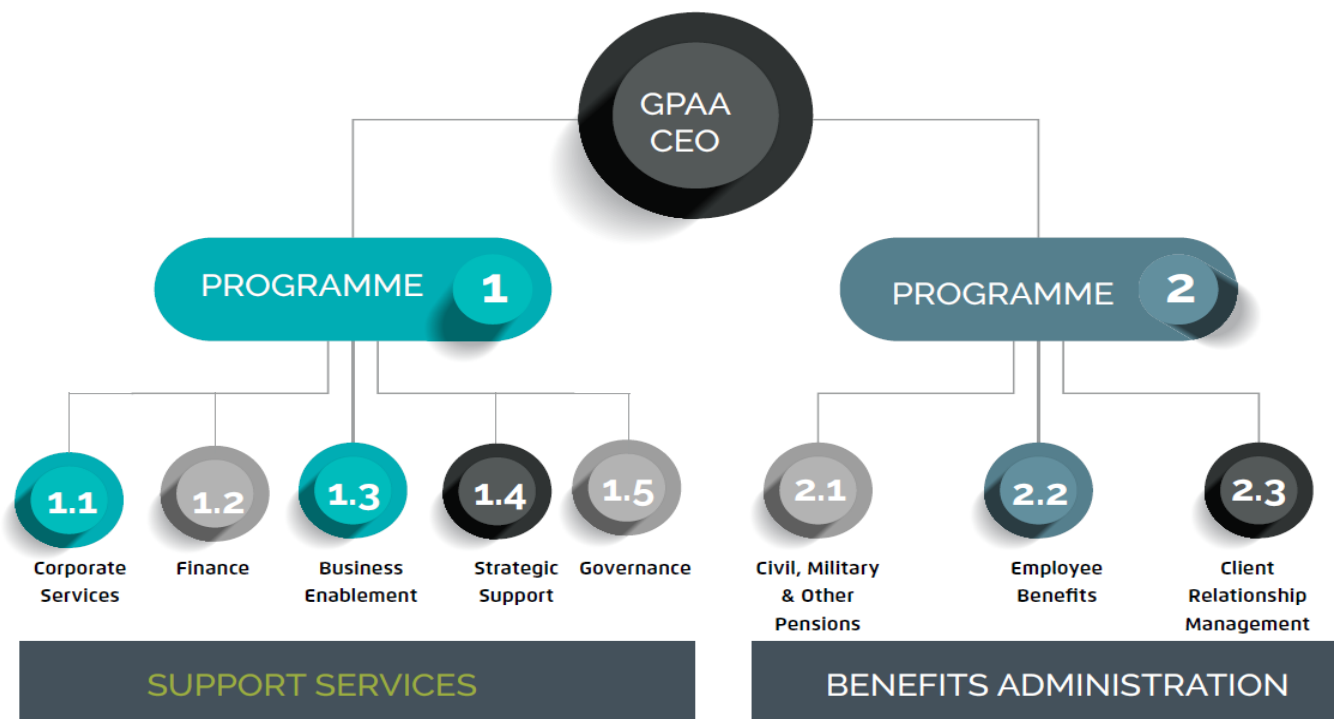
The GPAA provides administration services to the GEPF and National Treasury (Programme 7) - an arrangement that is regulated by service level agreements (SLAs). The GPAA administers government employee pensions and other benefits in terms of the Government Employees Pension (GEP) Law of 1996, on behalf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

Until 31 March 2025, the GPAA also administered the Temporary Employees Pension Fund (TEPF) in terms of the Temporary Employees Pension Fund Act (1979), and the Associated Institutions Pension Fund (AIPF) in terms of the Associated Institutions Pension Fund Act (1963). The TEPF and AIPF were amalgamated into the GEPF with effect from 1 April 2025.

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 administers the business and governance affairs of the GPAA, and gives rise to the strategic outcomes in support of the core business of Programme 2.

Sub-programme 1.1 - Corporate Services

The business units within Corporate Services play a supporting role in ensuring the provision of primary services. This includes ensuring the required human resources are available. The primary aim of the sub-programme is to support the GPAA in realising its strategic outcomes through the management, co-ordination and oversight of all management support, human and physical resources, and various services provided at the organisation.

Sub-programme 1.2 – Financial Services

This sub-programme manages the financial resources available to administer pensions and other benefits using best practice principles. This includes Unclaimed Benefits that are tracked, traced and paid from this sub-programme. In this regard, the sub-programme ensures that: financial policies are adhered to; that financial record keeping is done according to appropriate frameworks; and that sufficient cash flow levels are maintained for operational activities. The sub-programme also prepares the financial statements for the organisation, which are also used by stakeholders.

Sub-programme 1.3 - Business Enablement

This sub-programme directs and manages the organisation's information, communication and technology (ICT) infrastructure, including two data centres that host the server, storage and application systems, Local Area Networks (LAN) and Wide Area Networks (WAN). The agency has a national footprint and provides a range of end-user devices, including desktops, laptops, tablets, printers and scanners. Business Enablement provides the GPAA with the enabling capability and technology it needs to deliver on its mandate.

Sub-programme 1.4 – Strategic Support

The purpose of Strategic Support is to plan, direct and support the organisation, in order to ensure that employee benefits, pensions and retirement funds are administered according to the relevant legislation and SLAs. This group of business units is responsible for ensuring that the GPAA is managed effectively, in order for it to deliver services that meet or exceed the business requirements of clients. Strategic Support is responsible for planning and oversight at the GPAA, and for its overall performance. It is also responsible for building relations with various stakeholders, including intergovernmental engagements that promote the achievement of government priorities and service delivery. The Project Management Office (PMO) was established to manage projects throughout the GPAA, including business technology projects, HR projects and the Modernisation Programme.

Sub-programme 1.5 – Governance

The Governance sub-programme is responsible for ensuring that the required processes and advisory services are in place for decision making and implementation. The sub-programme ensures that the characteristics of accountability, transparency, compliance, following the rule of law, responsiveness, effectiveness and efficiency are built into the processes, procedures and policies that govern the GPAA, its stakeholders and its decision-making processes. This cluster of business units gives assurance that the GPAA has the ability to withstand threats that could bring the GPAA or its stakeholders into disrepute.

PROGRAMME 2 - BENEFITS ADMINISTRATION

Programme 2 administers a range of benefits and is responsible for client relationship management (CRM).

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

This sub-programme provides for the payment of non-contributory pensions (that are funded by NT) to the beneficiaries of various public sector bodies in terms of different statutes, collective bargaining agreements and other commitments. The benefits administered are: Military Pensions, Post-Retirement Medical Subsidy, Special Pensions and IOD payments. Military Pensions and IOD payments provide for the payment of military pension benefits and medical claims arising from treatment for disability, medical assistance devices and other related expenses, in terms of statutory commitments.

The AIPF and TEPF, previously administered by the GPAA for National Treasury's Programme 7, were amalgamated into the GEPPF, with the process being concluded before 31 March 2025.

Sub-programme 2.2 - Employee Benefits (GEPPF)

The GEPPF is a contributory defined benefit pension fund that is administered by the GPAA in line with the provisions of the GEP Law. The GPAA provides the full spectrum of benefit administration services, including member admission, collecting contributions, member / pensioner / beneficiary data maintenance and benefit processing services. Benefit processing starts with a benefit application and ends with finalisation of the benefit payment by the Fund. The processes are aimed at facilitating accurate and timely payment of benefits to GEPPF members and beneficiaries.

Sub-programme 2.3 - Client Relationship Management

CRM manages relationships with all stakeholders, including clients, third parties and employer Departments, by providing high quality and responsive client services based on the principles of Batho Pele. The service channel operations (Call Centre, Mobile Offices and Walk-in Centres) ensure effective support of the interface between the GPAA and its client base by accepting, resolving and monitoring all service requests or queries made by clients. CRM also provides employer education and training through its regional and employer liaison units and by means of outreach programmes such as Roadshows, GEPPF Day events, Retiring Member Campaigns as well as Human Resource and Finance forums. CRM also oversees the document management process that supports 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 page 71 of this Annual Report for the report of the Auditor-General, published in Part F: Financial Information.

2. OVERVIEW OF THE GPAA'S PERFORMANCE

2.1 Service Delivery Environment

The GPAA operates in the retirement fund industry and is affected by the associated legislation. During the financial year under review, Parliament ratified the Pension Funds Amendment Act (31 of 2024), which ushered in the implementation of the Two-Pot retirement system across the retirement fund industry. This necessitated certain amendments to various legislation relevant to the industry (including the GEP Pension Law, 1996) to allow for implementation of the Two-Pot system.

The Two-Pot retirement system allows retirement fund members to make partial withdrawals from their retirement funds before retirement, while preserving the larger portion, which can only be accessed upon retirement. The intention is to improve retirement outcomes for members, while allowing them to access a portion of their retirement savings in times of difficulty.

The Two-Pot system was implemented from 1 September 2024. As the administrator for the GEPPF, the GPAA had to put systems in place to prepare for implementation. One of the major tasks was the required amendment of the GEPPF

rules, because the Two-Pot system impacted the way in which pension benefits are allocated.

Implementation of the Two-Pot system affected the payment of exit benefits in September to December 2024. This was because the processing of exit benefits had to be amended to align with the amended rules. While the development, testing and implementation of an amended exit payment process was under way, an interim solution was implemented to avoid prolonged delays with paying exit benefits.

The other effect of the implementation of the Two-Pot system was an increase in traffic at all GPAA Walk-in Centres across the country, and at the Call Centre, with members posing enquiries and seeking assistance with submitting their applications through the Self-Service application. Prior to implementation of the Two-Pot system, the GPAA took a strategic decision to only allow applications to be submitted through the Self-Service application, which has proved successful.

In the year under review, the GPAA was inundated with queries pertaining to rumours regarding the payment of outstanding pensions in terms of Past Discrimination Pension (PDP) redress and regarding former Transkei, Bophuthatswana, Venda and Ciskei (TBVC) pensioners. These queries were mitigated through education and outreach initiatives, and communication across all platforms.

The environment that the GPAA operates in continues to be marked by high levels of unemployment, poverty and inequality. This means that GPAA clients are often responsible for providing financially for their immediate and extended families, which means it is very important that the GPAA ensures accurate member and pensioner data through regular maintenance of the data, to ensure timely payment of benefits when they become due.

Key to the GPAA's service delivery environment, is its dependence on employer departments to submit information on new public service employees, in order to ensure timeous admission to the Fund, and timeous and accurate collection of contributions. Furthermore, the GPAA depends on employer departments for timeous submission of accurate benefits application information on behalf of members. This dependence often leads to delayed payment of benefits. As the primary custodians of client information, employer departments have a duty to submit accurate information on behalf of clients when benefits become due. In some instances, exit documents are submitted late or they contain errors, which results in delays in payments - and this eventually impacts negatively on service delivery.

As part of its commitment to enhance service delivery, the GPAA has made significant collaborative efforts, through its Client Liaison Officers (CLOs), to enhance stakeholder relations with employer departments. The organisation has implemented several initiatives that are aimed at educating HR officials at employer departments about the GEPF and NT product offerings. In addition, various educational campaigns aimed at members are also delivered on a continuous basis.

In order to improve efficiency, the GPAA has continued to automate its core business processes and expand its electronic outreach to provide clients and customers with secure access to services. One significant benefit is the use of the Self-Service application as the sole platform for members to submit their Two-Pot system applications.

The GEPF and the GPAA continue to encourage members to retire with the GEPF, rather than to resign and transfer their savings out of the Fund. One of the challenges experienced by the Fund is the ever-increasing Unclaimed Benefits account. The organisation has created public awareness about Unclaimed Benefits in an effort to encourage eligible beneficiaries to come forward and claim the benefits due to them. This problem is not unique to the GPAA, and the organisation continues to explore various mechanisms to deal with the problem of Unclaimed Benefits.

2.2 Organisational Environment

The approved structure continued to be implemented during the period under review, but the vacant positions at executive level remain a challenge. However, in order to mitigate the impact of the void created by these vacant executive positions, the organisation appointed an acting Deputy Director-General: Corporate Services, and an Acting Chief Financial Officer (ACFO), who are ensuring that the relevant functions are performed until the positions are filled.

During the year under review, the organisation received a moratorium from the Department of Public Service and Administration (DPSA) on filling vacancies. However, the organisation managed to obtain approval from the DPSA to fill 149 entry level positions. Although this was inadequate for operational requirements, it has assisted in building capacity to meet service delivery demands, including implementation of the Two-Pot retirement system and the newly acquired customer i.e. the Department of Military Veterans (DMV).

Following the cyber-attack experienced at the end of the previous financial year, the GPAA continued to strengthen its information technology (IT) controls to prevent a re-occurrence.

2.3 Key Policy Developments and Legislative Changes

Following the promulgation of the Pension Funds Amendment Act (31 of 2024), the GEPF Rules were amended to allow for the implementation of the Two-Pot retirement system.

3. PROGRESS TOWARDS THE ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

The vision of the GPAA translates into the following impact statement: *Dignified, cared for, empowered and satisfied members, pensioners and beneficiaries*. In order to realise this impact, a set of strategic oriented outcomes were adopted by the organisation. In developing the strategic outcomes, the Minister's contract, the NDP, the GPAA's environment, various analysis methods and the intended outcomes of the Modernisation Programme were taken into consideration. The strategic oriented outcomes are reflected in Table 1.

Table 1: Strategic oriented outcomes

PROGRAMME	IMPACT STATEMENT	OUTCOMES	OUTCOME SCORE
Programme 1: Support Services	Dignified, cared for, empowered and satisfied members, pensioners and beneficiaries.	1. Optimal core support	5 out of 7 (71.42%) targets met
		2. A capable and reliable administration system	No target
		3. Digitised processes	1 out of 1 (100%) target met
4. Efficient case management		2 out of 2 (100%) targets met	
5. Efficient admission management		2 out of 2 (100%) targets met	
6. Efficient contribution management		3 out of 3 (100%) targets met	
7. Payment turn-around time of less than 60 days		8 out of 10 (80%) targets met	

During the financial year under review, a total of 25 output performance indicators were tracked for the purpose of measuring achievement of the strategic outcomes. As reflected in Table 1, 100% of the target was met for four outcomes. With the remaining two outcomes, 71.42% and 80% of the targets were achieved. One outcome did not have an output, and none of the outcomes achieved less than 50% of the set targets.

The performance scorecards for Programme 1 and Programme 2 reflect the output indicators and targets for the financial year under review, together with the achievements and challenges experienced in attaining the set targets. (See page 28-35.)

Table 2 shows organisational APP performance per sub-programme.

Table 2: Annual APP performance per sub-programme

Overall Annual Performance						
Sub-programmes	Total Measures	Annual Achievement	Achieved		Non-Achieved	
			E	A	PA	NA
Sub-programme 1.1 Corporate Services	3	100%	3	0	0	0
Sub-programme 1.2 Finance	3	33.33%	1	0	1	1
Sub-programme 1.3 Business Enablement	1	100%	1	0	0	0
Sub-programme 1.4 Strategic Support	1	100%	1	0	0	0
Sub-programme 1.5 Governance	Sub-programme 1.5 does not have indicators in the APP for this financial year.					
Sub-programme 2.1 Civil, Military & other Pensions	6	100%	6	0	0	0
Sub-programme 2.2 Employee Benefits	8	75%	6	0	1	1
Sub-programme 2.3 Client Relations Management	3	100%	3	0	0	0
Overall Achievement	25	84%	21	0	2	2

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

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

As a component of government, the GPAA has embraced the outcomes-based approach; therefore, both the strategic planning and organisational performance monitoring approaches adopted by the organisation are outcomes-based. The SP and Annual Performance Plan (APP) were produced within the ambit of the GPAA's Strategic Planning Framework, which outlines the planning, budgeting, implementation and reporting cycle of the organisation.

The performance of the organisation in implementing the APP was monitored as per the Monitoring and Evaluation (M&E) framework, which outlines the results-based M&E approach of the organisation that aligns with the results-based approach of government. The M&E framework is aligned to the Framework for Managing Programme Performance Information and the National Evaluations Policy framework. It further provides for the evaluations done by the GPAA in evaluating the effectiveness and efficiency of various initiatives.

It is against this backdrop that the outcomes-based approach has been embedded in the GPAA's planning and M&E instruments.

Performance against Strategic Outcomes

The GPAA achieved most of the targets set for its predetermined outcomes during the financial year under review, i.e. 21 of the 25 (84.00%) performance targets were achieved. The key highlights include: an average of 94.78% of benefits paid on time after receipt of duly completed documentation (GEPF: 89.57% and National Treasury (NT): 99.99%); and an average of 99.94% of new members who were admitted within the target period. Furthermore, 100% of clients who visited the GPAA offices across the country were attended to, and 94.22% of calls received by the Call Centre were resolved during the first contact call.

The GPAA administered benefits on behalf of the GEPPF, which had an active membership of 1 267 539 members and 362 097 pensioners at the end of March 2025. Contributions received for the financial year amounted to approximately R94.433 billion, while benefits paid out to beneficiaries amounted to R163.92 billion. A summary of the claims administered in 2024/2025, as well as the monthly benefits payments are reported in Table 3.

Table 3: Claims and monthly benefits paid by the Fund

NUMBER OF CASES ADMINISTERED AND FINALISED	CASES PAID 2023/ 2024	CASES PAID 2024/ 2025
Resignation from GEPPF	22 671	22 452
Retirement from GEPPF	35 523	39 568
Transfer from GEPPF	2 768	2 921
Beneficiaries paid due to the death of members	6 097	5 738
Total	67 059	70 679
NUMBER OF RECIPIENTS OF MONTHLY PAYMENTS	MONTHLY PAYMENTS 2023 / 2024	MONTHLY PAYMENTS 2024 / 2025
IOD payments	9 959	10 411
Post-retirement Medical Benefits	159 379	169 863
Military Pensions	4 500	4472
Special Pensions	5 336	5084
Other benefits	714	691
Pension benefits (GEPPF)	351 100	362 097
Spouses benefits (GEPPF)	174 188	174 861
Orphans benefits (GEPPF)	23 477	28 263
Pension benefits (AIPF)	3307	3 081
Spouses benefits (AIPF)	2422	2 343
Pension benefits (TEPF)	151	144
Spouses benefits (TEPF)	101	99
Total benefits paid per recipient per month (averaged)	734 634	761 409

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The GPAA has put systems in place to report on a quarterly and annual basis on its performance. 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 2024/2025 APP.

PROGRAMME 1: SUPPORT SERVICES

Purpose of the Programme

The purpose of Programme 1 is to support the business and governance affairs of the GPAA, and to attain strategic outcomes in support of the core business.

List of Sub-Programmes

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

Strategic Outcomes for 2024 / 2025

- Optimal core support
- Digitised processes.



Table 4: Performance against predetermined outcomes

Outcome	Output	Output indicator	Audited actual performance 2022/2023	Audited actual achievement 2023/2024	
Optimal core support	Disabled employees	1. % of disabled employees as a total employees	5.69% of disabled employees as a total employees	5.54% disabled employees as a total employees	
	Female employees	2. % of female employees as a total of employees	63.29% of female employees as a total of employees	61.12% of female employees as a total employees	
	Black employees	3. % of black employees as a total of employees	90.70% of black employees as a total of employees	91.60% of black employees as a total employees	
	Clean audit	4. Clean audit achieved in Quarter 3 of the next financial year	Unqualified audit with findings	Unqualified audit with findings	
	Valid invoices paid	5. % of accurate payment of valid invoices paid within 30 working days	99.90% accurate payment of valid invoices paid within 30 working days	100% accurate payment of valid invoices paid within 30 working days	
	Reduced Unclaimed Benefits	6. % of all amounts in Unclaimed Benefits paid (excluding interest)	42.85% of all amounts in Unclaimed Benefits paid (excluding interest)	53.10% of all amounts in Unclaimed Benefits paid (excluding interest)	
Digitised processes	Clients reached through the digital communication channels	7. % of clients reached through the digital communication channels	61.47% of clients reached through the digital communication channels	62.03% of clients were reached through the digital communication channels	
Optimal core support	ICT systems up-time	8. % of the time ICT system is available during required times per quarter	99.97% of the time ICT system is available during required times per quarter	87.52% of time ICT system is available during required times per quarter	

	Planned annual target 2024/2025	Actual achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reason for deviation
	2% disabled employees as a total employees	5.21% disabled employees as a total employees	Target exceeded by 3.21%	The GPAA Recruitment policy is aligned to the Transformation Plan (Employee Equity Plan)
	51% of female employees as a total employees	59.53% of female employees as a total employees	Target exceeded by 8.53%	The GPAA recruitment policy is aligned to the Transformation Plan (Employee Equity Plan)
	91% of black employees as a total employees	92.70% of black employees as a total employees	Target exceeded by 1.70%	The GPAA recruitment policy is aligned to the Transformation Plan (Employee Equity Plan)
	Clean audit	Unqualified audit with material misstatements	Unqualified audit with material misstatements	Material misstatements on debtor balance, professional services relating to architectural designs, commitments disclosure and irregular expenditure.
	100% accurate payment of valid invoices paid within 30 working days	99.93% accurate payment of valid invoices paid within 30 working days	Target missed by 0.07%	System instability at the beginning of the financial year led to actual payments appearing late on the accounting system. One invoice in Q4 was paid after 30 days of receipt due to non-verification of the vendor on Safety Web
	50% of all amounts in Unclaimed Benefits paid (excluding interest)	52.77% of all amounts in Unclaimed Benefits paid (excluding interest)	Target exceeded by 2.77%	Performance is based on paid cases as a percentage of all unclaimed benefit cases
	68% of clients were reached through the digital communication channel.	70.08% of clients were reached through the digital communication channels	Target exceeded by 2.08%	Increase in the number of Self-Service users
	97% of time ICT system is available during required times per quarter	98.88% of time ICT system is available during required times per quarter	Target exceeded by 1.88%	System monitoring implemented, IT Service Management process

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 Core Support outcome.

Table 5: Outcome: Optimal Core Support

Output	Output indicator	Strategy to overcome areas of under-performance
Valid invoices paid	% of accurate payment of valid invoices paid within 30 working days	Vigorous monitoring mechanisms will be introduced to ensure that all invoices are paid within 30 days. These mechanisms will include constant follow up with cost centre managers and service providers, where necessary.
Clean audit	Clean audit achieved in Quarter 3 of the next financial year	The control environment will be strengthened including review of processes and staff training

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	2023/2024			2024/2025		
	Budget	Actual	(Over)/	Budget	Actual	(Over)/
		Expenditure	Under expenditure		Expenditure	Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	815 146	784 893	30 253	452 722	504 932	-52 210

Achievements

The budget was utilised to deliver the programme items detailed below.

Staff were trained on the implementation of the Two-Pot system. The training included training where knowledge gaps had been identified, to ensure that staff provide quality services and optimal support to deliver on the core mandate of the GPAA.

Efforts were made to trace and pay Unclaimed Benefits to the rightful owners, and so reduce the Unclaimed Benefits account.

ICT provides critical support to ensure that the services provided reach the entire GEPF membership. Information technology requires consulting and professional services to ensure that the GPAA is fully enabled to deliver

services to more than 1.5 million clients of the GEPF. However, computer equipment, computer software and licenses come at a huge cost to the organisation.

Other main budget items for Programme 1 relate to the footprint and leasing of accommodation to enable providing services to clients. This includes leasehold improvements and ensuring accessibility of the Walk-in Centres. Clients appreciate the education and outreach programmes because of the valuable information they provide. Embarking on these programmes involves a lot of traveling, and the associated travel and subsistence costs.

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 Pensions, and Other Benefits (NT)
- Employee Benefits (GEPF)
- Client Relations Management (CRM)

Strategic Outcomes for 2024 / 2025

- Efficient case management
- Efficient admission management
- Efficient contribution management
- Payment turn-around time of less than 60 days

Table 7: Performance against predetermined outcomes

Outcome	Output	Output Indicator	Audited actual performance 2022/2023	Audited Actual Achievement 2023/2024	
Payment turn-around time of less than 60 days	Satisfied clients	9. % of client satisfaction levels	94.98% of client satisfaction levels	94.50% of client satisfaction levels	
	Resolved calls	10. % of first contact calls resolved, versus calls answered, excluding escalated calls	23.06% of first contact calls resolved, versus calls answered, excluding escalated calls	99.08% of first contact calls resolved, versus calls answered, excluding escalated calls	
Efficient admission management	NT members admitted	11. % of NT members admitted within 14 working days	99.80% of NT members admitted within 14 working days	99.98% of NT members admitted within 14 working days	
	GEPF members admitted	12. % of GEPF members admitted within 14 working days	100% of GEPF members admitted within 14 working days	100% of GEPF members admitted within 14 working days	
Efficient contribution management	GEPF contributions received and reconciled	13. % of GEPF contributions received and reconciled by the 22nd of the month	99.96% of GEPF contributions received and reconciled by the 22nd of the month	99.95% of GEPF contributions received and reconciled by the 22nd of the month	
Efficient case management	NT client records maintained	14. % of NT clients records maintained within 21 working days	100% 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	15. % 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	100% of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	

	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for achievements or deviations
	92% of client satisfaction levels	95.04% of client satisfaction levels	Target exceeded by 3.04%	Constant monitoring of services rendered through outreach events, emails, mobile offices, Walk-in Centres and Call Centre
	80% of first contact calls resolved, versus calls answered, excluding escalated calls	94.22% of first contact calls resolved, versus calls answered, excluding escalated calls	Target exceeded 14.22%	The aim was to drive the efficiency rating and achieve the required service level
	99% of NT members admitted within 14 working days	99.78% of NT members admitted within 14 working days	Target exceeded by 0.78%	Effective admission process in place
	98% of GEPF members admitted within 14 working days	100% of GEPF members admitted within 14 working days	Target exceeded by 2%	Active production management plans in place and constant monitoring
	97% 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	Target exceeded by 2.88%	Well defined process. Timeous raising, collection and reconciliation of contributions
	99% of NT client records maintained within 21 working days	99.97% of NT client records maintained within 21 working days	Target exceeded by 0.97%	Effective admission process in place
	99% 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	Target exceeded by 1%	Effective administration of member and pensioner maintenance

Outcome	Output	Output Indicator	Audited actual performance 2022/2023	Audited Actual Achievement 2023/2024	
Payment turn-around time of less than 60 days	NT membership certificates issued	16. % 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	
	NT Death Benefits paid	17. % of NT Death Benefits paid within 60 working days of receipt of duly completed documents	100% of NT Death Benefits paid within 60 working days of receipt of duly completed documents	100% of NT Death Benefits paid within 60 working days after duly completed documents were received	
	GEPF benefits paid	18. % of GEPF benefits paid within 45 working days liability date, excluding death and unclaimed benefits after receipt of duly completed documents	93.81% of GEPF benefits paid within 45 working days liability date, excluding death benefits) after receipt of duly completed documents	94.05% GEPF benefits paid within 45 working days liability date, excluding death benefits after receipt of duly completed documents	
	NT benefits paid	19. % 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)	99.99% of NT benefits paid within 20 working days after receipt of duly completed documents (excluding death benefits)	
	Visitors serviced	20. % of visitors serviced versus number of visitors	99.80% of visitors serviced versus number of visitors	99.79% of visitors serviced versus number of visitors	
	GEPF Death Benefits paid	21. % of GEPF Death Benefits paid within 60 working days of liability date after duly completed documents were received	48.68% of GEPF Death Benefits paid within 60 working days of liability date, after duly completed documents were received	74.29% of GEPF Death Benefits paid within 60 working days of liability date, after duly completed documents were received	
Efficient contribution management	TEPF contributions received and reconciled	22. % of TEPF contributions received and reconciled by the 22nd of the month	115.12% of TEPF contributions received and reconciled by the 22nd of the month	137.20% of TEPF contributions received and reconciled by the 22nd of the month	
	AIPF contributions received and reconciled	23. % of AIPF contributions received and reconciled by the 22nd of the month	99.12% of AIPF contributions received and reconciled by the 22nd of the month	98.07% of AIPF contributions received and reconciled by the 22nd of the month	
Payment turn-around time of less than 60 days	AIPF benefits paid	24. % of AIPF benefits paid within a set period (45 working days) of the liability date excluding death and unclaimed benefits) after receipt of duly completed documentation	63.41% of AIPF benefits paid within a set period (45 working days) of the liability date excluding death and unclaimed benefits, after receipt of duly completed documentation	79.24% of AIPF benefits paid within a set period (45 working days) of liability date excluding death and unclaimed benefits, after receipt of duly completed documentation	
	TEPF benefits paid	25. % of TEPF benefits paid within a set period (45 working days) of the liability date excluding Death and Unclaimed Benefits after receipt of duly completed documentation	30.83% of TEPF benefits paid within a set period (45 working days) of the liability date excluding Death and Unclaimed Benefits after receipt of duly completed documentation	6.25% of TEPF benefits paid within a set period (45 working days) of the liability date excluding Death and Unclaimed Benefits after receipt of duly completed documentation	

	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for achievements or deviations
	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%	Effective administration process in place
	90% 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	Target exceeded by 10%	Effective and efficient administration of death benefits
	87% GEPP benefits paid within 45 working days liability date, excluding death and unclaimed benefits after receipt of duly completed documents	89.57% GEPP benefits paid within 45 working days liability date, excluding death benefits and unclaimed benefits after receipt of duly completed documents	Target exceeded by 2.57%	Increased capacity and effective management of production on a daily basis
	90% 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)	Target exceeded by 9.99%	Focused attention on target achievement and continuous monitoring
	95% of visitors serviced versus number of visitors	100% of visitors serviced versus number of visitors	Target exceeded by 5%	Constant monitoring of services rendered
	50% of GEPP Death Benefits paid within 60 working days of liability date, after duly completed documents were received	73.11% of GEPP Death Benefits paid within 60 working days of liability date, after duly completed documents were received	Target exceeded by 23.11%	Improved production management for death claims
	97% of TEPF contributions received and reconciled by the 22nd of the month	106.42% of TEPF contributions received and reconciled by the 22nd of the month	Target exceeded by 9.42%	Over-payments received in the previous quarters, were refunded in the fourth quarter
	97% of AIPF contributions received and reconciled by the 22nd of the month	99.36% of AIPF contributions received and reconciled by the 22nd of the month	Target exceeded by 2.36%	Timeous raising of employer debt, collection and reconciliation of contributions
	80% of AIPF benefits paid within a set period (45 working days) of liability date excluding death and unclaimed benefits, after receipt of duly completed documentation	60.48% of AIPF benefits paid within a set period (45 working days) of liability date excluding death and unclaimed benefits, after receipt of duly completed documentation	Target missed by 19.52%	The AIPF claims form part of the whole value chain and are processed in between all the other thousands of claims
	80% of TEPF benefits paid within a set period (45 working days) of the liability date excluding Death and Unclaimed benefits after receipt of duly completed documentation	0% of TEPF benefits paid within a set period (45 working days) of the liability date, excluding Death and Unclaimed benefits, after receipt of duly completed documentation	Target missed by 80%	The TEPF claims form part of the whole value chain and are processed in between all the other thousands of claims. All TEPF employers are manual contributors, which requires manual interventions for contribution and salary verification of these claims. This affects the payment turn-around time severely.

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 in terms of a payment turn-around time of less than 60 days.

Table 8: Outcome: Payment turn-around time of less than 60 days

Output	Output Indicator	Strategies to overcome areas of under-performance
AIPF benefits paid	% of AIPF benefits paid within a set period (45 working days) of the liability date, excluding death and unclaimed benefits, after receipt of duly completed documentation	More intense management of AIPF claims will be done once a week by using a list of AIPF claims drawn from the MIS platform.
TEPF benefits paid	% of TEPF benefits paid within a set period (45 working days) of the liability date, excluding Death and Unclaimed benefits, after receipt of duly completed documentation	CIVPEN warnings were recorded against all TEPF member records to detect these claims as soon as they arrive at the GPAA. This will enable the GPAA to prioritise these claims. The implementation of a system generated report will alert managers on a weekly basis as and when these type of claims are received.

Linking performance to budgets

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

Table 9: Linking performance to budget

Programme 2: Benefits Administration	2023/2024			2024/2025		
	Budget	Actual	(Over)/	Budget	Actual	(Over)/
		Expenditure	Under Expenditure		Expenditure	Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	583 025	485 067	97 958	1 017 727	1 066 466	-48 739

Achievements

The budget was utilised to deliver on the programme responsibilities as detailed below.

The client satisfaction level was 95.04% for the year under review, and 94.22% of first contact calls were resolved, excluding escalated calls. Meanwhile, 100% of GEFP members were admitted to the Fund within 14 working days and 99.88% of contributions were received and reconciled by the 22nd of each month.

100% of NT suspended pensioners (overseas) were reinstated within 21 working days of receipt of a Life Certificate, and 100% of membership certificates were issued within 30 working days of admission.

While the GPAA experienced under-spending due to the vacancy rate, which was a result of the moratorium placed on filling vacancies, 100% of NT Death Benefits were paid within 60 working days of receipt of duly completed documents,

and 89.57% of GEPP benefits were paid within 45 working days of the liability date. Furthermore, 99.99% of NT benefits were paid within 20 working days of receipt of duly completed documents (excluding death benefits).

5. REVENUE COLLECTION

Table 10 details the revenue collected for the financial year.

Table 10: Revenue collection

2023/2024				2024/2025		
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	1 398 172	1 306 385	91 787	1 537 124	1 731 321	(194 197)
Other income	-	6 179	(6 179)		8 850	(8 850)
Total	1 398 172	1 312 564	85 608	1 537 124	1 740 171	(203 047)

The GPAA's administration fees are charged on a cost recovery basis, as per the agreements with the GEPP and NT. More expenditure was incurred in the current year than budgeted, as more income was collected.

6. CAPITAL INVESTMENT

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

Table 11: Capital Investment

2023/2024				2024/2025		
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	122 708	131 141	(8 433)	188 341	203 854	(15 513)

There was overspending of R12.1 million on equipment right of use, due to budget cuts on the 2024/2025 budget. Overspending of R2.9 million was also experienced on computer equipment, mainly due to the CISCO Network refresh. The budget was R24 million, however actual expenditure was R29 million. (Mitigating against the Information Regulator's findings and the cyber-attack were the main factors.)

Part C: GOVERNANCE



COMPLIANCE

1. INTRODUCTION

Corporate governance practices and structures that are effective, together with strong internal controls, are key to the GPAA executing its mandate and being accountable to the GEPP, NT and the public at large. In this regard, the GPAA has put systems in place to ensure effective risk management, prevent corruption and fraud, minimise conflict of interest, ensure adherence to the Public Service Code of Conduct, and ensure accountable management and proper internal auditing. This section discusses 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.

No key issues were raised by the Executive Authority.

4. RISK MANAGEMENT

The GPAA maintains an endorsed Risk Management Policy and Framework that incorporates the Risk Strategy. Together, these position risk management as a strategic asset that supports sustainable growth, enables informed decision-making and aligns risk management activities to the overall business objectives.

Regular risk assessments are conducted. These are crucial to maintaining an effective risk management strategy that utilises the latest information and enables the identification of emerging risks.

The GPAA has a Risk Management Committee (RMC) that guides its approach to identifying, assessing and mitigating risks. The Committee plays a key role in guiding management about unacceptable levels of risk. The GPAA also has an Audit Committee (AC) that provides oversight of the controls, governance and risk management functioning of the organisation. The AC provides an independent and objective view of the effectiveness of the GPAA's risk management process.

Robust management of risks at the GPAA affects organisational performance. The connection between risk management and performance can be demonstrated through the improved achievement against performance indicators, enhanced decision quality and operational improvements.

5. INTERNAL AUDIT AND AUDIT COMMITTEE

5.1 Internal Audit Unit

The objectives of Internal Audit (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:

- Using an appropriate risk-based methodology, prepare a flexible three-year Rolling Strategic Internal Audit Plan and Annual Audit Plan for approval by the AC that includes 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 a 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 by providing a summary of the results of audit activities and details of performance against the Annual Audit Plan. This allows for effective monitoring and possible intervention, if necessary.
- Keep the AC informed of emerging trends and successful practises in the field of Internal Auditing.
- Co-ordinate with the other 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 that the Chief Audit Executive (CAE) can use to assure compliance with auditing standards.

5.2 Summary of work done

Type	Planned Audits	% Completed	% Not Completed
Assurance reviews 2024/2025			
Regularity Audit	9	100%	0%
Performance Audit	2	100%	0%
Information Technology Audit	3*	66.67%	33.33%
Total	14	92.85%	7.15%

*3 audits were planned; however, the 3rd audit - stage gate review - could not be performed due to delays with the modernisation project.

Type	Planned Audits	% Completed	% Not Completed
Follow-up reviews 2024/2025			
Regularity Audit	4	100%	0%
Performance Audit	4	100%	0%
Information Technology Audit	4	100%	0%
AG Register	3	100%	0%

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 qualifications and independence
- performance of the GPAA's internal audit function and external auditors
- effectiveness of internal controls
- compliance with legal and regulatory requirements
- identification of material risks that may affect the organisation and the implementation of appropriate measures to manage these 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 corrective action.
- The committee reviews the performance, degree of independence and objectivity of the IA function and the adequacy of the IA 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 the internal audit 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 B Bus.Sci in Finance	External	None	Chairperson	1 October 2021	N/A	9 of 9
Mr F Sinthumule	Diploma in State Finance and Auditing, BCom MBA with special projects in PFMA	External	None	Member	1 July 2022	N/A	9 of 9
Mr M Geswint	NT employee appointed temporarily by the Minister	External	None	Member	1 October 2022	N/A	3 of 9
Prof. D P van der Nest	BCom Accountancy, BCom (Hons), MCom, DTech	External	None	Member	1 June 2024	N/A	7 of 9

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 GEPP and NT. The GPAA must adhere to the Government Employees Pension (GEP) Law, 1996, which is the legislative framework for the payment of GEPP 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 at the organisation.

The GPAA is audited by both the internal auditors and the AGSA, to ensure compliance with laws and regulations.

7. FRAUD AND CORRUPTION

During the year under review, the following governance documents were reviewed (as directed by the Fraud Prevention Plan and the Fraud Prevention Strategy), with a view to enhancing the implementation of the fraud prevention strategy:

- Whistle-Blowing Policy
- Anti-Corruption Policy
- Fraud Implementation Plan
- Standard Operating Procedure.

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

The GPAA has a whistle-blowing hotline that is managed by an independent service provider. Incidents of fraud or irregularities may be reported by the public/members using any of the following mechanisms:

- Hotline: 0800 203 900
- SMS 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 National Anti-Corruption Hotline (administered by the Public Service Commission (PSC)) can be used:

- Hotline: 0800 701 701 toll free number

How these cases are reported and what action is taken

Incidents of fraud/corruption or irregularities are reported by employees, the public, members or service providers using the fraud hotline and Client Service Centres. Where the need for an investigation arises, possible action regarding the matter raised may include:

- internal investigation
- referral to the relevant external law enforcement agencies
- investigation by an outsourced external service provider.

The internal investigators carry out an investigation within 60 working days. They make findings based on the available evidence and provide recommendations, where applicable, on the potential disciplinary, criminal or civil action to be taken, as well as on control and policy improvements. All investigations conducted at the GPAA are done in accordance with acceptable practices, within legal parameters and in compliance with the existing investigation methodology. The GPAA refers all matters

to law enforcement for further investigation if fraud is suspected and a financial loss is incurred, regardless of the amount involved.

All cases reported for investigation are captured in a case register. The case register assists with the maintenance of data and the allocation of case numbers. If a full-scale investigation is warranted, the case is allocated internally to the forensic investigation team. On completion of the investigation, reports are sent to the Accounting Officer for approval of disciplinary action or referral to the South African Police Service (SAPS) for further investigation. Some cases are also referred to the Legal Unit to pursue civil action.

8. MINIMISING CONFLICT OF INTEREST

All Supply Chain Management (SCM) Practitioners are required to complete an e-disclosure referenced financial disclosure declaration. In addition, as part of the SCM standard operating procedure (SOP), all practitioners and appointed SCM Bid Committee members are required to declare any interest in items or companies being discussed in a meeting, which may be under consideration, or which may have submitted a response to a published bid. The declaration is done prior to a meeting commencing. All employees are also required to declare other forms of income through an HR process, which helps to minimise potential conflict of interest. In general, the SOP promotes segregation of duties, which also minimises conflict of interest in the broader sense.

If an SCM practitioner declares a conflict of interest, the practitioner is recused from further participation in a meeting. The interest is noted in the minutes, and the meeting continues without the practitioner being present.

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 DPSA's 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 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 consequent management is implemented in accordance with the DPSA's Public Service Disciplinary Code of Conduct.

- The normal PSR and consequent 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 GPAA complies with the Occupational Health and Safety Act (OHSA), and other related regulations, in the interest of the health and safety of employees, customers and other visitors to its premises. Health and safety matters have an impact on employee productivity and on the safety of the organisation's assets; therefore, the GPAA makes a concerted effort to comply with related statutes. Details of the health and safety initiatives that were embarked on in the financial year under review are reported in Part D: Human Resource Management.

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 2024/25 period as part of a three-year rolling plan, after consultation with management and approval by the Audit Committee. There were fourteen (14) assurance audits planned for the current year. Thirteen were completed, which translates to 93% completion of the approved 2024/25 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	9 of 9
Mr Freddy Sinthumule	MBA; BCom Accounting; Dip Finance and Auditing	External	N/A	16 July 2019	N/A	9 of 9
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	3 of 9
Prof DP Van Der Nest	BCom Accountancy, BCom (Hons), MCom, DTech	External	N/A	1 June 2024	N/A	7 of 9

11.2 REPORT BY AUDIT COMMITTEE

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

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.

Internal audit performed an external quality assurance in March 2024 and obtained a generally conform rating according to GIAS standard 4.1.

The Audit Committee approved a risk based three-year rolling Strategic Plan and an Annual Internal Audit Coverage Plan for the period 1 April 2024 to 31 March 2025. Fourteen (14) audits were planned and thirteen (13) were completed during the year under review. Based on the overall opinion expressed on the audits conducted and finalized for the 2024/25 financial year, the control environment Needs Improvement.

The committee is satisfied that it has discharged its responsibilities in assisting the Accounting Officer with the following activities:

- Reviewing the adequacy, reliability and accuracy of the financial information provided by management and other users of such information.
- Overseeing the activities of and ensuring coordination between the activities of internal and external audit.
- Providing a forum for discussing exposures to financial and enterprise-wide risks and the monitoring of the controls designed to minimize these risks;
- Reviewing the GPAA's quarterly performance information and Annual Report, including the annual performance information and Annual Financial Statements, as well as any other public reports or announcements containing financial & non-financial information.
- Receiving and dealing with any complaints concerning the accounting practices, the internal and external audit, or the content and audit of its financial statements or related matters; and
- Annually reviewing the committee's work in line with the charter and making recommendations to the Accounting Officer to ensure the committee's effectiveness.

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.

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 committee noted with concern the following instances of noncompliance:

- The increase of the fruitless and wasteful expenditure as payments were made without services and goods being delivered.
 - The increase of the irregular expenditure as applicable procurement prescripts were not complied with.
 - The incurrence of expenditure which exceeded the approved budget which is in contravention of the PFMA.
 - There are no adequate processes to ensure that consequence management takes place against officials who incurred irregular, fruitless and wasteful expenditure.

Furthermore, the committee noted the external auditor's report highlighting that there were instances of non-compliance identified.

The Effectiveness of Internal Control

The committee considered all the reports issued by the various assurance providers e.g. Internal and External auditors, 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 prepared by management

Auditor General's Report

The committee has reviewed the independence and objectivity of the external auditors 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	Additional Details
Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	The GPAA developed and implemented its own Preferential Procurement Policy as part of the reviewed SCM Policy in 2023. Specific goals were identified that are relevant to the business of the GPAA. The SOP was updated recently to include women ownership as a compulsory required specific goal for procurement.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for awarding incentives, grants and investment schemes in support of B-BBEE.	N/A	



A close-up photograph of a hand holding a small, teal-colored human figure. In the background, a crowd of similar teal figures is visible, though out of focus. The entire image is overlaid with a semi-transparent green rectangle. The text 'Part D: HUMAN RESOURCE MANAGEMENT' is centered within this rectangle. 'Part D:' is in orange, while the rest is in white.

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 could not fill vacant positions for some time due to the moratorium on filling of vacant positions. However, other areas of the Human Resource Management business continued as planned. Below is the account of all the achievements and opportunities, and the impact that the Human Resources Administration, Development and Management units had during the year under review.

2.1 HR Priorities and the Impact Thereof

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

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.

A Talent Management Strategy was implemented to ensure that the retained talent is being nurtured and geared towards assisting the organisation to achieve its set 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 is conducting research that will assist the organisation in developing well-informed performance goals.

2.4 Employee Wellness Programme

The Employee Health and Wellness (EHW) Programme achieved the following:

- The four (4) Pillar Policies were reviewed and approved.
- EHW wellness days were hosted and 306 employees participated.
- Wellness management (WM) group intervention sessions were conducted with employees by the CRM Sub-programme.
- Approval of the four (4) Pillar Policies dictated that the implementation programme that is supported by these policies be implemented.
- The EHW unit partnered with the, Labour Relations unit to conduct advocacy sessions in the organisation to bring the content of these policies to the attention of staff.

2.5 Policy development

The following policies were approved for use in terms of HR Management:

- Job Evaluation Policy
- SHERQ Management Policy
- Health and Productivity Management (HPM) Policy
- Wellness Management Policy
- HIV, AIDs and TB Management (HATM) Policy
- Bereavement and Funeral Management Policy
- Employment Equity Policy - ratified at the Departmental Bargaining Chamber (DBC)
- Gender Policy - ratified at DBC.

3. HIGHLIGHTS AND ACHIEVEMENTS

The following highlights and key achievements can be reported for the financial year:

- The Organisational Structure was approved, implemented and presented to all employees.

- The B-BBEE targets were achieved as follows:
 - The target of 51% female employees was exceeded by 8.53% (i.e. 59.53%).
 - The target of 91% black employees was exceeded by 1.70% (i.e. 92.70%).
 - The target of 2% of appointment of people with a disability was exceeded by 3.21% (i.e. 5.21%).
- Compliance with the Employment Equity Act:
 - The Employment Equity Committee consulted 100% of employees on the Employment Equity Plan.
 - There was 95% appointment of Constituency Representatives for the vacancies on the Employment Equity Committee.
 - The Employment Equity Plan and Report were submitted to the Department of Employment and Labour.
- The Change Agent Network was revived, and Change Agents were appointed.
- Gender mainstreaming was implemented as follows:
 - Youth initiatives were launched, and Youth Day was celebrated by the youth at the organisation through a youth engagement platform.
 - A women's programme was implemented in line with the Public Service Women Management Week (PSWMW).
 - A men's forum was launched.
- Harassment Policy awareness sessions were held for 40% of the organisation, after the launch of the directive in December 2024.

4. CHALLENGES

The following challenges were experienced during the financial year:

- Delays in retrieving information to assist HR business units with executing their duties.
- Following the approval of the organisational structure, funds were not moved in line with the shift of some functions from one HR section to another. This mostly affected the responses to change management priorities and programmes.
- Job Evaluation (JE) training for panel members on the new JE system was not finalised by DPSA and National School of Government (NSG).
- Delayed acquisition of the services of an EHW service provider deferred some of the planned activities for the year.

5. FUTURE HR PLANS

The plan for HR moving into the new financial year is:

Capacitate the organisation at different layers of management and production to ensure service delivery.

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 2024 to 31 March 2025

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	355 446	55 563	16%	83	669
Client Relations Management (CRM)	331 097	218 970	66%	452	484
Corporate Services	285 635	59 790	21%	114	524
Employee Benefits	102 911	102 657	100%	200	513
Financial Services	279 128	134 454	48%	135	996
Governance	53 824	33 931	63%	44	771
National Treasury Prog 2.1	29	29	100%	52	1
Strategic Support	202 729	34 238	17%	103	332
Total	1 610 799	639 632		1 183	4 290

6.2 Personnel Cost by Salary Band

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

Table 6.2 Personnel cost by salary band for the period 1 April 2024 to 31 March 2025

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	50 507	8%	33	1 531
Senior management	199 708	31%	232	861
Professionally qualified	352 789	55%	765	461
Skilled	16 281	3%	38	428
Semi-skilled	5 959	1%	22	271
Unskilled	14 388	2%	93	155
Total	639 632	100%	1 183	3,707

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 2024 to 31 March 2025.

Table 6.3 Performance rewards by salary band for the period 1 April 2024 to 31 March 2025

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 2024 to 31 March 2025

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)	566 172 867.00	5 069 541.34	0.89	650	R7 799.29
Training programmes (unemployed)		538 015.53	0.09	89	R6 045.12
Bursaries		5 504 498.99	0.97	159	R34 619.49
Total	566 172 867.00	11 112 055.86	1.95	898	

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 2025 (permanent positions)

Programme	2023/2024 Number of Employees	2024/2025 Approved Posts	2024/2025 Number of Employees	2024/2025 Vacancies	Vacancies as a % of number of posts
Office of the CEO	2	5	2	3	60.00%
Programme 1.1	101	62	48	14	22.58%
Programme 1.2	90	125	92	33	26.40%
Programme 1.3	57	66	50	16	24.24%
Programme 1.4	41	127	97	30	23.62%
Programme 1.5	39	60	34	26	43.33%
Programme 2.1	90	122	90	32	26.22%
Programme 2.2	164	209	203	6	2.87%
Programme 2.3	333	468	313	155	33.11%
Total	915	1244	929	315	25.32%

Table 6.5 (b) Employment and vacancies by salary band as at 31 March 2025 (permanent positions)

Salary Band	2023/2024 Number of Employees	2024/2025 Approved Posts	2024/2025 Number of Employees	2024/2025 Vacancies	Vacancies as a % of number of posts
Top management	1	3	0	3	100%
Senior management	32	39	31	8	20.51%
Professionally qualified	226	268	227	41	15.29%
Skilled	587	798	612	186	23.30%
Semi-skilled	47	104	37	67	64.42%
Unskilled	22	32	22	10	31.25%
Total	915	1244	929	315	25.32%

Only 149 entry level posts were approved by DPSA because of the moratorium on filling vacancies in pursuit of cost containment in the Public Service. The moratorium has been lifted, and all vacant positions will be prioritised and filled.

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 2024 to 31 March 2025 (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	32	0	1	31
Professionally qualified	226	9	10	225
Skilled	587	39	22	604
Semi-skilled	47	1	2	46
Unskilled	22	0	0	22
Total	915	49	35	929

6.7 Reasons for Staff Leaving

Table 6.7 shows the major reasons why staff left the organisation.

Table 6.7 Reasons why staff left the organisation during the period 1 April 2024 to 31 March 2025

Reason	Number	% of total number of staff leaving
Death	1	1.06%
Resignation	35	37.23%
Expiry of contract	43	45.74%
Dismissal	3	3.19%
Retirement	12	12.76%
Ill-health	0	0%
Total	94	

A total of 43 contracts expired and could not be extended, in line with the Public Service Regulations. Contract expiry and resignations were the main reasons for employees leaving the organisation. During the moratorium on filling of vacancies, the DPSA approved the advertisement and filling of 149 critical positions at level 6.

6.8 Labour Relations

Table 6.8 Misconduct and disciplinary hearings finalised during the period 1 April 2024 to 31 March 2025

Nature of disciplinary action	Number
Verbal warning	0
Written warning	2
Final written warning	0
Dismissal	1
Total	3

6.9 Equity Target 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 2025

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	0	0	0	0	0	0
Senior management	12	13	1	0	0	1	4	0
Professionally qualified	97	113	4	9	5	0	5	9
Skilled	188	270	6	44	3	16	6	41
Semi-skilled	20	41	0	5	0	1	1	5
Unskilled	5	12	0	1	0	0	0	1
Total	322	450	11	59	8	18	16	56

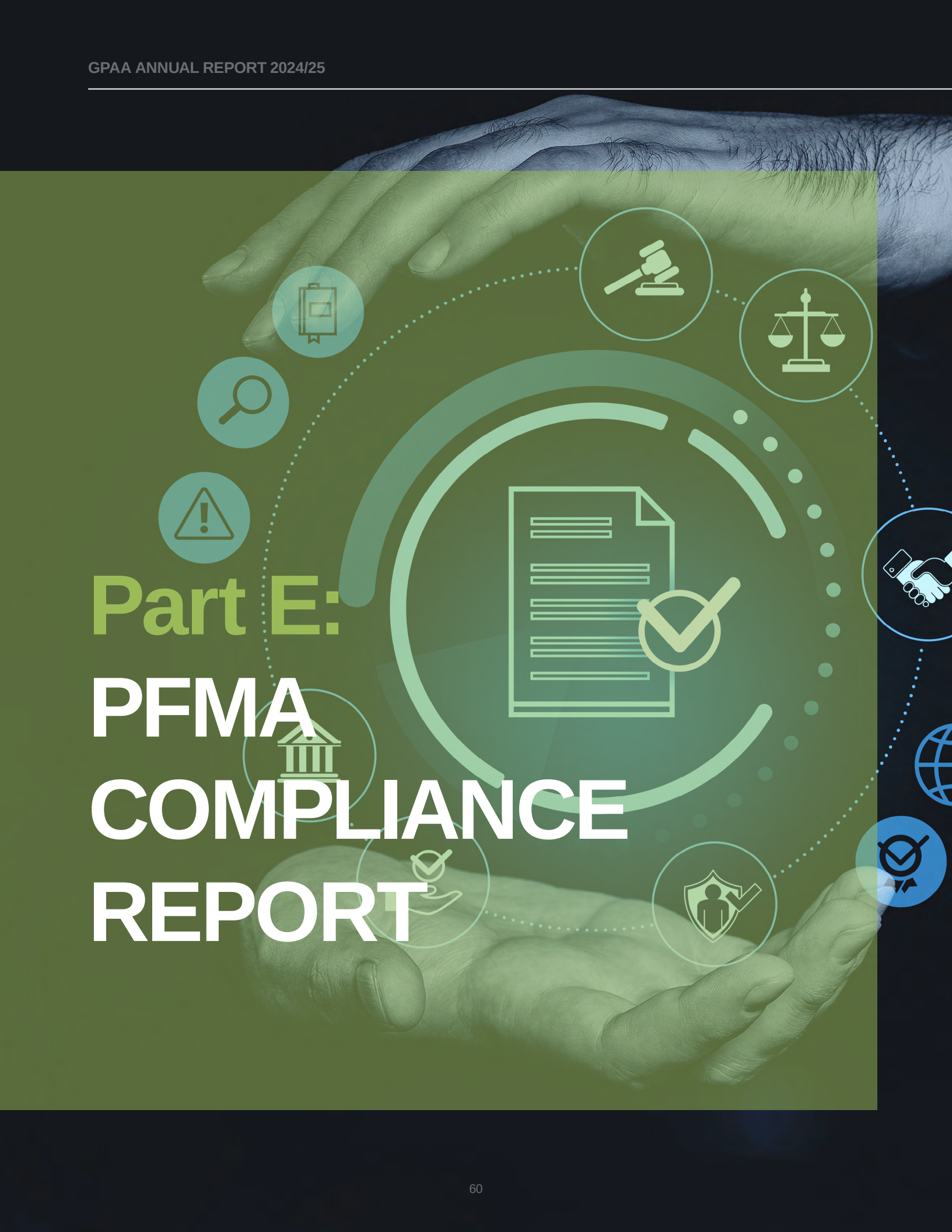
Table 6.9 (b) Total number of female employees (including employees with a disability) in each occupational category as at 31 March 2025

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 2025

Levels	EMPLOYEES WITH A DISABILITY			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professionally qualified	2	0	11	0
Skilled	12	0	27	0
Semi-skilled	2	0	3	0
Unskilled	0	0	0	0
Total	16	0	41	0

The organisation has reached and exceeded its targets, whilst ensuring that the demographic targets identified are met.



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 2024/2025 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	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Opening balance	40 297	141 075 ¹
Add: Irregular expenditure confirmed	48 549	3 855
Less: Irregular expenditure condoned	(6 800)	-
Less: Irregular expenditure not condoned and removed	-	(104 633)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	82 046	40 297

Table 2.1(b) Reconciliation notes

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Irregular expenditure under assessment	-	6 655
Irregular expenditure that relates to the prior year that was identified in the current year	10 776	-
Irregular expenditure in the current year	37 773	3 855
Total	48 549	10 510

¹ Amount restated by R108k due to prior period error.

Table 2.1(c) Current and previous year's irregular expenditure that is under assessment, determination and investigation

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Irregular expenditure under assessment	-	6 655
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	6 655

Table 2.1(d) Current and previous year's irregular expenditure that was condoned

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Irregular expenditure condoned	6 800	-
Total	6 800	-

Table 2.1(e) Current and previous year's irregular expenditure that was removed (not condoned)

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Irregular expenditure not condoned and removed	-	104 633
Total	-	104 633

Table 2.1(f) Current and previous year's irregular expenditure that was recovered

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Irregular expenditure recovered	-	-
Total	-	-

Table 2.1.1(g) Current and previous year's irregular expenditure that was written off (irrecoverable)

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Irregular expenditure written off	-	-
Total	-	-

Table 2.1(h) Current and previous year's disciplinary action or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Necessary disciplinary steps regarding irregular expenditure were taken as part of condonement and removal processes.

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	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Opening balance	2 597	2 593
Add: Fruitless and wasteful expenditure confirmed	96 883	4
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	99 480	2 597

Table 2.2(b) Reconciliation notes

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year, which was identified in the current year	-	-
Fruitless and wasteful expenditure in the current year	96 883	4
Total	96 883	4

Table 2.2(c) Current and previous year's fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	99 480	4
Total	99 480	4

Table 2.2(d) Current and previous year's fruitless and wasteful expenditure recovered

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

Table 2.2(e) Current and previous year's fruitless and wasteful expenditure not recovered and written off

Description	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Table 2.2(f) Current and previous year's disciplinary action and legal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
No cases were received in relation to fruitless and wasteful expenditure.

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) Current and previous year's material losses due to criminal conduct

Material losses due to criminal conduct	2024/ 2025 (R'000)	2023/ 2024 (R'000)
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

Table 2.3(b) Other material losses

Nature of other material losses	2024/ 2025 (R'000)	2023/ 2024 (R'000)
None	-	-
Total	-	-

Table 2.3(c) Other material losses recovered

Nature of losses	2024/ 2025 (R'000)	2023/ 2024 (R'000)
None	-	-
Total	-	-

Table 2.3(d) Other material losses written-off

Nature of losses	2024/ 2025 (R'000)	2023/ 2024 (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 2024/2025 financial year.

Table 3.1: Invoices

Description	Number of invoices	Consolidated Value
Valid invoices received	9 802	1 061 246 797.64
Invoices paid within 30 days or agreed period	9 728	1 057 145 063.80
Invoices paid after 30 days or agreed period	5	2 167 259.67
Invoices older than 30 days or agreed period (unpaid and without dispute)	6	39 779.90
Invoices older than 30 days or agreed period (unpaid and in dispute)	63	1 894 694.27

4. SUPPLY CHAIN MANAGEMENT

4.1 Procurement by other means

Table 4.1 provides details on procurement made by other means, per the reporting requirements of the Instruction Note for the financial year 2024/2025.

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)
Mimecast: Cloud-based email archiving & security solution	NIHKA TECHNOLOGY GROUP (PTY) LTD	Deviation	N/A	2 736
Procurement of radio & TV shows from SABC	SOUTH AFRICAN BROADCASTING CORPORATION SOC LTD	Deviation	N/A	14 231
Microsoft Defender for 400 Serve licenses - 24 months	MICROSOFT IRELAND OPERATIONS LTD	Deviation	N/A	3 096
Information Security & ICT Advisory services for 12 months	MERAFONG ICT (PTY) LTD	Deviation	N/A	2 950
Hybrid backup solution, license, maintenance & support	DATACENTRIX (PTY) LTD	Deviation	N/A	10 292
SOC & Network Detection & Response x12 months (partial PO)	MERAFONG ICT (PTY) LTD	Deviation	N/A	4 000
SOC & Network Detection & Response x 12 months (partial)	MERAFONG ICT (PTY) LTD	Deviation	N/A	5 000
Total				42 306

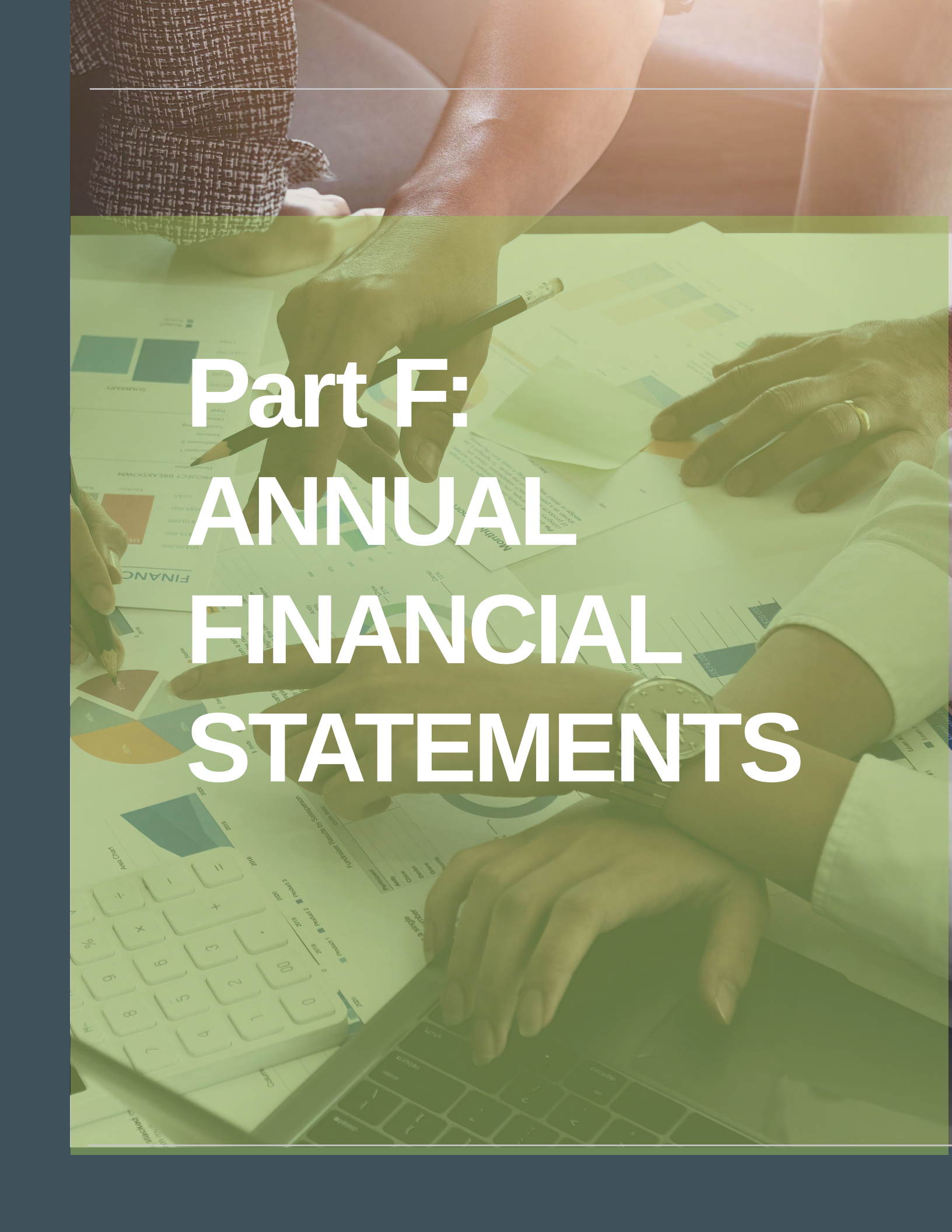
4.2 Contract variations and expansion

Table 4.2 provides information on contract variation orders per the reporting requirements of the Instruction Note for the financial year 2024/2025.

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/s or variations/s (if applicable)	Value of current contract expansion or variation
				(R'000)	(R'000)	(R'000)
Leasing of mobile busses	AFRICAN MOBILITY SOLUTIONS	Variation	GPAA 01/2023	148 005	20 493	58 974
Information Technology Infrastructure & Microsoft Specialist	FULLSTREAM BUSINESS SERVICES (PTY) LTD	Variation	GPAA 09/2021	3 588	0	717
1 X Business Solutions Developer	FULLSTREAM BUSINESS SERVICES (PTY) LTD	Variation	GPAA 09/2021	1 114	0	2 631
ICT Resource: Modernisation Programme Manager x 10 months	FULLSTREAM BUSINESS SERVICES (PTY) LTD	Variation	GPAA 09/2021	2 336	0	4 204
WP for ICT Arch, Dev, Maint - Jan 2024 - ICT	FULLSTREAM BUSINESS SERVICES (PTY) LTD	Variation	GPAA 09/2021	28 966	0	43 450
WP for ICT Arch, Dev, Maint - Jan 2024 - PMO	FULLSTREAM BUSINESS SERVICES (PTY) LTD	Variation	GPAA 09/2021	5 368	0	8 052
Business Solutions Developer - Thapelo Mekwa	FULLSTREAM BUSINESS SERVICES (PTY) LTD	Variation	GPAA 09/2021	2 595	0	3 893
Service Support Administrator	FULLSTREAM BUSINESS SERVICES (PTY) LTD	Variation	GPAA 09/2021	1 765	0	1 245
Oracle BCA services for 7 months	GIJIMA AST-A HOLDINGS (PTY) Ltd	Variation	GPAA 09/2021	18 509	27 135	36 180
IT Infrastructure Maintenance & Support x 6 months	GIJIMA AST-A HOLDINGS (PTY) Ltd	Variation	GPAA 09/2021	20 592	0	56 272

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variations/s (if applicable)	Value of current contract expansion or variation
				(R'000)	(R'000)	(R'000)
Benefit Administration Application Support & Related Service	GIJIMA AST-A HOLDINGS (PTY) Ltd	Variation	GPAA 09/2021	9 693	874	874
Net Promoter Score	JICHO CONSULTING T/A JICHO	Variation	GPAA 09/2021	29 878	0	27 188
ACCPAC Specialist Services	JICHO CONSULTING T/A JICHO	Variation	GPAA 09/2021	19 209	0	43 725
Microsoft Enterprise agreement and volume licenses, M365 E5	MICROSOFT IRELAND OPERATIONS LTD	Variation	SITA	67 139	11 775	7 496
MPLS Services	MOBILE TELEPHONE NETWORKS PTY LTD / MTN	Expansion	RFP 26/2015	32 380	110 894	84 576
Mimecast: Cloud-Based Email Archiving & Security Solution	NIHKA TECHNOLOGY GROUP (PTY) LTD	Expansion		2 736	127	423
Citrix Maintenance & Support	OPEN ARCHITECTURE SYSTEMS (PTY) LTD	Variation		460	143	218
CRM Subscription Licenses	PTP INTERGRATED PTY LTD	Variation		945	0	9 200
Platinum managed LAN and Desktop Support (LDS) Services	STATE INFO. TECHNOLOGY AGENCY	Expansion	SLA_116_001	97 629	21 624	3 347
Total						392 665



Part F: ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS

For the year ending 31 March 2025

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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 2025

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 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 have been used, 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 2025.

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.



Stadi Mngomezulu

Acting Chief Executive Officer (ACEO)

Government Pensions Administration Agency (GPAA)

30 November 2025

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 (GPAA) set out on pages 81 to 129, which comprise the statement of financial position as at 31 March 2025, 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 GPAA as at 31 March 2025, 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) 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.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Irregular expenditure

7. As disclosed in note 19 to the financial statements, irregular expenditure of R48 549 000 was incurred, as applicable procurement legislation was not followed.

Fruitless and wasteful expenditure

8. As disclosed in note 19 to the financial statements, fruitless and wasteful expenditure of R96 883 000 was incurred, as payments were made without services and goods being delivered.

Restatement of corresponding figures

9. As disclosed in note 22 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the government component at, and for the year ended, 31 March 2025.

Expenditure incurred in excess of the approved budget

10. I draw attention to the statement of comparison between budget and actual amounts, set out on page 85 in the financial statements. The government component incurred expenditure in excess of the approved budget, in contravention of the PFMA. The reasons for overspending are included on page 86.

Post-reporting-date events

11. I draw attention to note 18 in the financial statements, which deals with subsequent events and specifically the cancellation of the government component lease and construction and development agreements for new office premises. Various investigations were taking place which relate to procurement irregularities. The outcomes of the investigations were not finalised at the time of this report. This may impact the fruitless and wasteful and irregular expenditure currently disclosed in the financial statements.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the 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.
13. 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

14. 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.
15. 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 78, forms part of my auditor's report.

Report on the audit of the annual performance report

16. 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.
17. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 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	31-36	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.

18. 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.
19. 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 component'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.
20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
21. I did not identify any material findings on the reported performance information for the selected programme.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.
24. 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 32 to 36.

Programme 2: Benefits administration

Targets achieved: 85.71% Budget spent: 95.42%		
Key indicator not achieved	Planned target	Reported achievement
Indicator 24: % of Associated Institutions Pension Fund (AIPF) benefits paid within a set period (45 working days) of the liability date excluding death and unclaimed benefits after receipt of duly completed documentation	80%	60,48%
Indicator 25: % of Temporary Employees Pension Fund (TEPF) benefits paid within a set period (45 working days) of the liability date excluding death and unclaimed benefits after receipt of duly completed documentation.	80%	0%

Report on compliance with legislation

25. 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.
26. 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.
27. 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.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

29. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA.
30. Material misstatements of other receivables from exchange transactions, leasehold improvements, commitments, prepayments and fruitless and wasteful expenditure identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.
31. The financial statements were not submitted for auditing within the prescribed timeframe after the end of the financial year, as required by section 40(1)(c)(i) of the PFMA.

Consequence management

32. 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.

Expenditure management

33. 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 caused by non-compliance with section 2(1)(f) of Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA) and paragraph 4(4) of the Preferential Procurement Regulation 2022.

Procurement and contract management

34. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the PPPFA and Preferential Procurement Regulation 2022. Similar non-compliance was also reported in the prior year.
35. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2022. Similar non-compliance was also reported in the prior year.
36. Some of the quotations were not awarded in an economical manner and/or the prices of the goods or services were not reasonable as required by PFMA section 38(1)(b) and 45(b).

Other information in the annual report

37. 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.
38. 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.
39. 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.
40. 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

41. 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.
42. 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.

- 43. Management did not implement adequate internal controls to ensure the preparation of accurate financial statements as numerous material misstatements were identified that were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.
- 44. Management did not establish and implement sufficient procedures to review and monitor compliance with applicable legislation.
- 45. In some instances, the accounting officer failed to conduct investigations related to irregular as well as fruitless and wasteful expenditure and I was unable to confirm whether disciplinary steps were taken during the year. The implemented controls were not adequate to ensure effective consequence management action to resolve the identified instances of non-compliance.

Other reports

- 46. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

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

Auditor - General

Pretoria

3 December 2025



**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 the selected programme 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 a 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)(iii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 40(1)(a); 40(1)(b); 40(1)(c)(i); 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; 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; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(iii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2

Legislation	Sections or regulations
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6;
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
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(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18 (1); 18 (2); 25(1)(e)(i); 25(1)(e)(iii)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025 R'000	Restated 2024 R'000
Non-Current Assets		316,407	243,063
Property, plant and equipment	3	201,686	143,557
Intangible assets	4	72,192	73,099 ¹
Trade and other receivables	6	42,107	25,985 ¹
Rental deposits	7.1	422	422
Current Assets		374,803	265,473
Inventory	5	2,540	2,489
Trade and other receivables	6	246,182	135,042 ¹
Prepayments	7.2	16,383	19,914
Cash and cash equivalents	8	109,698	108,028
TOTAL ASSETS		691,210	508,536
Non-Current Liabilities		42,108	23,388
Finance lease liability	9	41,811	22,292
Operating lease liability	11	297	1,096
Current Liabilities		219,806	185,463
Trade and other payables	10	187,034	156,502 ¹
Finance lease liability	9	3,381	283
Operating lease liability	11	1,331	3,694
Provision	12	28,060	24,984
TOTAL LIABILITIES		261,914	208,851
Net Assets		429,296	299,685
Accumulated surplus		429,296	299,685
TOTAL NET ASSETS AND LIABILITIES		691,210	508,536

1 Refer to Note 22 for restatement details

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 R'000	Restated 2024 R'000
Revenue from exchange transactions		1,741,185	1,312,564
Administration income	13.1	1,731,448	1,306,385 ²
Other income	13.2	9,737	6,179
Expenses		1,611,574	1,268,707
Personnel costs	14	639,694	589,780
Travel & subsistence		41,083	32,030
Depreciation	3.1	42,809	35,965
Amortisation	4.1	101,695	92,434 ¹
Cleaning services		9,394	8,110
Maintenance & repairs		13,001	10,716
Leases		83,406	75,850
Professional services and consulting		281,782	157,495
Audit fees		7,883	6,644
Communication		83,029	66,999 ¹
Printing & stationary		40,675	35,629
Advertising		23,951	20,461
Computer services		146,262	104,680
Training and staff development		15,244	9,420
Municipal services		12,842	10,981
Other operating expenses		10,148	5,968
Finance costs	15	57,645	5,368
Loss on sale of property, plant & equipment		1,031	177
SURPLUS/(DEFICIT) FOR THE YEAR		129,611	43,857

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2025

	Restated 2025
	R'000
	Accumulated Surplus
Balance as at 31 March 2023	255,828
Surplus for the year	43,857 ³
Restated Balance as at 31 March 2024	299,685
Surplus for the year	129,611
Balance as at 31 March 2025	429,296

3 Refer to Note 22 for restatement details

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

		2025	Restated 2024
	Notes	R'000	R'000
Cash flow from operating activities			
Cash generated from operations		230,315	157,045
Cash receipts from customers		1,578,162	1,269,993 ¹
Cash paid to employees and suppliers		(1,347,847)	(1,112,948) ¹
Interest Received	13.2	9,140	5,989
Net cash flow from operating activities	16	239,455	163,034⁴
Net cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1,191	-
Additions to property plant and equipment	3.1	(65,466)	(16,913)
Additions to intangible assets	4.1	(100,788)	(76,503) ¹
Net cash flow from financing activities		(72,722)	(20,517)
Payment on finance lease liabilities		(72,722)	(20,517)
Net increase (decrease) in cash and cash equivalents		1,670	49,101
Cash and cash equivalents at the beginning of the year		108,028	58,927
Cash and cash equivalent at the end of the year	8	109,698	108,028

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2025

	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	Restated 2024	R'000	R'000	%	%
	2025	2024	2025	2024	2025	2024	2025		2025	2024	2025	2024
Revenue	1,466,782	1,376,672	70,342	21,500	1,537,124	1,398,172	1,741,185	1,312,564	(204,061)	85,608	(13)	6
Administration income	1,466,782	1,376,672	70,342	21,500	1,537,124	1,398,172	1,731,448	1,306,385	(194,324)	91,787	(13)	7
Other income	-	-	-	-	-	-	9,737	6,179	(9,737)	(6,179)	(100)	(100)
Expenditure	1,306,670	1,232,841	42,113	42,623	1,348,783	1,275,464	1,467,070	1,140,308	(118,287)	135,156	(9)	11
Personnel costs	684,286	641,565	(65,000)	(7,519)	619,286	634,046	639,694	589,780	(20,408)	44,266	(3)	7
Operating expenses	622,384	591,276	107,113	50,142	729,497	641,418	827,376	550,528	(97,879)	90,890	(13)	14
Surplus from operations	160,112	143,831	28,229	(21,123)	188,341	122,708	274,115	172,256	(85,774)	(49,548)	(46)	(40)
Depreciation and Amortisation	-	-	-	-	-	-	144,504	128,399	(144,504)	(128,399)	(100)	(100)
Surplus/ (Deficit)	160,112	143,831	28,229	(21,123)	188,341	122,708	129,611	43,857	58,730	78,851	31	64
Capital expenditure	160,112	143,831	28,229	(21,123)	188,341	122,708	203,854	131,141	(15,513)	(8,433)	(8)	(7)

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2025

ANALYSIS OF ACTUALS VERSUS BUDGET**Revenue**

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

GPAA receives 93% of its revenue from GEPPF and 7% from National Treasury for administration services rendered for pension members of both GEPPF and National Treasury. The variance of R204 million (13%) is due to the 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

The total actual operational expenditure (excluding depreciation and amortisation) amounted to R1.47 billion, which is R118 million (9%) above budget. The overspending is primarily attributed to the following factors:

- Compensation of Employees exceeded the budget by R20.4 million (3%), due to the downward adjustment of payroll budget during the 2024–25 budget review.
- Consulting and Professional Services were over budget by R34 million (18%), largely because of unbudgeted project-related costs. The overspending includes R26 million for architectural and engineering services relating to the new head office classified as fruitless and wasteful expenditure.
- Travel and Subsistence exceeded the budget by R17.8 million (79%), due to an underestimation of related costs for the 2024–25 financial year.
- Lease Expenditure was R43.3 million (30%) under budget, mainly because certain lease payments (R22 million for a biometric solution) were reclassified as fruitless and wasteful expenditure, and R56 million related to finance leases (buses and biometric X-rays) was reclassified as finance costs.
- Communication Costs were R24.9 million (45%) over budget, driven by R16.9 million in higher-than-anticipated telecommunication costs and an R8 million overspend on postage due to underestimated usage.
- Repairs, Cleaning, and Maintenance were R7.3 million (16%) under budget, due to delays in finalising the electrical services tender.
- Stationery, Consumables, and Printing underspent by R7.4 million (17%), as the printing of member guides and newsletters was delayed to align with updates to benefit statements driven by the new two-pot retirement reform.
- Training and Workshops exceeded the budget by R6.6 million (66%), mainly due to unbudgeted expenditure on cascading conferences (R3 million) and change management initiatives related to the new organisational structure (R3.5 million).

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. PRINCIPAL ACCOUNTING POLICIES

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 has obtained approval from the Minister of Finance for the application of Generally Recognised Accounting Practice (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 component 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.

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

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 ordinary course of business. 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 on 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 the carrying amount of the relevant asset or liability in future periods.

Details regarding significant judgements and estimates are disclosed in the relevant policies where 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 the 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 with the purpose to provide pension administration services to the GEPF 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 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 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 GEPP. 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 GEPP 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 the 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. If, however, 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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, 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 assets' residual value, where applicable to the entity.

The residual values of the assets, the useful lives and the depreciation methods 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

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 measure reliably 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 sale proceeds 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 constructing or developing new assets, or refurbishing and maintaining existing ones, users expressed a strong need for more disclosure about Capital Work-in-Progress and expenditure on repairs and maintenance.

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

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 trade date accounting method.

Upon initial recognition, the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests 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.

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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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. 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.

1.10.6 DERECOGNITION OF FINANCIAL INSTRUMENTS

A financial asset is derecognized when:

- The contractual rights to the cash flows expire, or
- The asset is transferred, and the risks and rewards of ownership are substantially passed on to another party.

A financial liability is derecognized 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 measured at fair value. Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments with a maturity period of three months or less, which are held with registered banking institutions, and which is subject to an insignificant risk of change in value.

For the purpose 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 prior to 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 assets 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 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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-lined lease payments differ from the actual lease payments, the difference is recognised in the Statement of Financial Position as either lease payments 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 any 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 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 and expensed only when the payment is made.

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 recognized as assets until the related benefits are realized.

Recognition

A prepayment is recognized 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 recognized in the Statement of Financial Performance.

1.17 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 are 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 and 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); and
- 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.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 capital 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, but are disclosed in the notes to the Annual Financial Statements.

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 be only confirmed by the occurrence or non-occurrence of one or more uncertain future events 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 outside the control of the department.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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.

The financial statements and budget are prepared on the same basis of accounting, therefore, a comparison with the budgeted amounts 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 between Budget and Actual amounts.

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

Amendments issued by ASB are effective for the period commencing on or after 1 April 2025. The changes are not expected to have a material impact on the financial statements.

GRAP Standards	Title
GRAP 104	Financial Instruments
IGRAP 22	Foreign Currency Transactions and Advance Consideration

The following pronouncements, approved by the Board, have not yet been approved for implementation by the Minister of Finance:

Pronouncement	Effective date
Amendments to GRAP 1 on Presentation of Financial Statements (going concern)	Effective date to be determined.
Amendments to GRAP 103 on Heritage Assets	N/A to the GPAA. Effective date to be determined.
Improvements to the Standards of GRAP, 2023	Effective date to be determined.
Amendments to GRAP 105, GRAP 106 and GRAP 107 on transfers of functions and mergers	Effective date to be determined.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Property, plant and equipment**Reconciliation of Carrying Value**

	2025			2024		
	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 ²	299,589	(218,818)	80,771	254,280	(202,736)	51,544
Furniture & Fittings	49,319	(35,260)	14,059	48,728	(33,777)	14,951
Leasehold Improvements ²	30,090	(20,638)	9,452	29,654	(17,907)	11,747
Office Equipment	82,349	(50,235)	32,114	78,759	(51,703)	27,056
Office Equipment: finance lease	17,067	(3,391)	13,676	4,978	(85)	4,893
Vehicles	11,268	(6,609)	4,659	17,068	(15,158)	1,910
Vehicles: finance lease	58,350	(11,422)	46,928	32,747	(1,326)	31,421
Tools	98	(71)	27	98	(63)	35
Total	548,130	(346,444)	201,686	466,312	(322,755)	143,557

²Included in the carrying amounts are computer equipment amounting to R23 million and leasehold improvements amounting to R437k, which were not depreciated as they are not yet ready for use as at year-end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3.1 Reconciliation of Property, Plant and Equipment – 2025

	Carrying Value Opening Balance	Additions	Disposals	Depreciation	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3.2 Reconciliation of Property, Plant and Equipment – 2024

	Carrying Value Opening Balance	Additions	Disposals	Depreciation	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer Equipment	66,625	5,509	(177)	(20,413)	51,544
Furniture & Fittings	17,781	1,127	-	(3,957)	14,951
Leasehold Improvements	11,700	2,895	-	(2,848)	11,747
Office Equipment	26,202	7,372	-	(6,518)	27,056
Office Equipment: finance lease	-	4,978	-	(85)	4,893
Vehicles	2,722	-	-	(812)	1,910
Vehicles: finance lease	-	32,747	-	(1,326)	31,421
Tools	31	10	-	(6)	35
Total	125,061	54,638	(177)	(35,965)	143,557

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

	2025 R'000	2024 R'000
Computer Equipment	21,389	18,451
Office Equipment	5,003	3,843
Vehicles	4,418	4,157
	30,810	26,451

4. Intangible Assets**Reconciliation of Carrying Value**

	2025			Restated 2024		
	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 Software	122,581	(106,653)	15,928	122,581	(97,026)	25,555
Licenses	109,722	(65,334)	44,388	81,637	(51,998)	29,639 ⁵
Internally Generated Software	114,479	(102,603)	11,876	114,479	(96,574)	17,905
Total	346,782	(274,590)	72,192	318,697	(245,598)	73,099

5 Refer to Note 22 for restatement details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4.1 Reconciliation of Intangible Assets – 2025

	Carrying Value Opening Balance	Additions	Amortisation	Carrying Value Closing Balance
	R'000	R'000	R'000	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

4.2 Reconciliation of Intangible Assets – 2024

	Carrying Value Opening Balance	Restated Additions	Restated Amortisation	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000
Computer Software	35,753	-	(10,198)	25,555
Licenses	29,327	76,503 ⁶	(76,191)	29,639
Internally Generated Software	23,950	-	(6,045)	17,905
Total	89,030	76,503	(92,434)	73,099

6 Refer to Note 22 for restatement details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

5. Inventory

	2025 R'000	2024 R'000
Inventory	2,540	2,489
	2,540	2,489

Inventory consists of consumables.

Inventory expenses for the year is as follows:

	2025 R'000	2024 R'000
Inventory	6,361	6,000
	6,361	6,000

6. Trade and Other Receivables from Exchange Transactions

	2025 R'000	Restated 2024 R'000
Non-current	42,107	25,985 ⁷
Current	246,182	135,042 ¹
	288,289	161,027

Non-current receivables of R42 million (2024: R26 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025		
	Gross Balance	Provision for Doubtful Debts	Net Balance
	R'000	R'000	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

	2024		
	Gross Balance	Provision for Doubtful Debts	Net Balance
	R'000	R'000	R'000
Trade receivables	156,859	-	156,859
Staff debtors	482	-	482
Other debtors	5,656	(1,970)	3,686
	162,997	(1,970)	161,027

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

	Trade Receivables	Staff Debtors	Other Debtors	Total
	R'000	R'000	R'000	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

6.2 Ageing: Trade and Other Receivables from Exchange Transactions – 2024

	Trade Receivables	Staff Debtors	Other Debtors	Total
	R'000	R'000	R'000	R'000
Current (0 – 30 days)	156,859 ⁸	2	3,683	160,544
31 - 60 days	-	89	16	105
61 - 90 days	-	1	3	4
Over 90 days	-	390	1,954	2,344
	156,859	482	5,656	162,997
Provision for doubtful debts	-	-	(1,970)	(1,970)
	156,859	482	3,686	161,027

8 Refer to Note 22 for restatement details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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.

	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
Other debtors	73,285	71	30	71	73,457
	281,770	5,969	30	520	288,289

	2024				
	Current	31 – 60 days	61 – 90 days	91+ days	Total
Credit quality					
Trade receivables	156,859 ⁹	-	-	-	156,859
Staff debtors	2	89	1	390	482
Out of service staff debtors	3,683	3	-	-	3,686
	160,544	92	1	390	161,027

6.4 Reconciliation of Provision for Doubtful Debt

	2025 R'000	2024 R'000
Balance at beginning of the year	(1,970)	(2,530)
Contributions to provision	-	-
Reversal of provision	13	560
	(1,957)	(1,970)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

7. Payments in advance

	2025	2024
	R'000	R'000
7.1 Rental deposits	422	422
7.2 Prepayments	16,383	19,914
	16,805	20,336

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

	2025	2024
	R'000	R'000
Payment Master General (PMG)	97,569	92,307
ABSA Bank	11,844	15,429
Petty cash	285	292
	109,698	108,028

9. Finance Lease Liability

	2025	2024
	R'000	R'000
Non-current liabilities	41,811	22,292
Current liabilities	3,381	283
	45,192	22,575

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025		
	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	R'000	R'000	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
	2024		
	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	R'000	R'000	R'000
Lease payments not later than one year	31,705	(31,746)	(41)
Lease payments later than one year but not later than five years	114,141	(91,525)	22,616
Total future lease payments	145,846	(123,271)	22,575

The GPAA entered into finance leases for vehicles (mobile office buses) and office equipment (X-ray machines). The monthly lease payments for vehicles are fixed, while they escalate at 7% annually for office equipment. The lease term is 60 months, and lease payments are paid monthly in arrears. Details pertaining to the leased vehicles and office equipment are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

10. Trade and Other Payables from Exchange Transactions

	2025	Restated 2024
	R'000	R'000
Trade creditors	112,367	65,884
Accruals	58,907	75,147 ¹⁰
Unknown deposits	1,379	1,360
Bonus accrual	14,143	13,356
Sundry creditors	238	755
	187,034	156,502

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

	Trade creditors	Accruals	Sundry creditors	Total
	R'000	R'000	R'000	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

10.2 Ageing: Trade and Other Payables from Exchange Transactions – 2024

	Trade creditors	Accruals	Sundry creditors	Total
	R'000	R'000	R'000	R'000
Current (0 – 30 days)	64,264	75,147 ¹	755	140,166
31 - 60 days	1,416	-	-	1,416
61 - 90 days	-	-	-	-
91 - 120 days	-	-	-	-
Over 120 days	204	-	-	204
	65,884	75,147	755	141,786

10 Refer to Note 22 for restatement details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Operating Lease Liability

	2025	2024
	R'000	R'000
Non-Current liabilities	297	1,096
Current liabilities	1,331	3,694
	1,628	4,790

The GPAA's significant operating leases relate to property rented for office premises. The rentals have 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:

	2025	2024
	R'000	R'000
Payables not later than one year	41,390	33,864
Payables later than one year but not later than five years	326,572	37,916
Payables later than five years	553,161	-
	921,123	71,780

12. Provisions

	2025	2024
	R'000	R'000
Provision for leave pay		
Opening Balance BOY	24,984	23,359
Provided	28,060	24,984
Utilised	(24,984)	(23,359)
	28,060	24,984

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13. Revenue from Exchange Transactions**13.1 Administration Income**

	2025	Restated 2024
	R'000	R'000
GEPF	1,655,754	1,239,537 ¹¹
National Treasury (Programme 7)	68,010	62,389
AIPF	7,199	4,126
TEPF	226	183
Department of Military Veterans	259	150
	1,731,448	1,306,385

The GPAA earns its entire administration fees from the principal-agent arrangements with GEPF,

Department of Military Veterans and National Treasury on a cost recovery basis. Refer to note 1.6.

13.2 Other Income

	2025	2024
	R'000	R'000
Commission income	173	164
Interest income	9,140	5,989
Parking income	24	26
Settlement income	400	-
	9,737	6,179

14. Personnel Costs

	2025	2024
	R'000	R'000
Compensation of employees	482,417	440,154
Contributions to GEPF	49,339	46,368
Other benefits	107,938	103,258
	639,694	589,780

14.1 Other Benefits

	2025	2024
	R'000	R'000
Employer contribution medical aid	36,845	33,197
Service bonus	29,614	28,298
Non-pensionable allowance	14,060	16,986
House owner's allowance	14,963	13,598
Other	12,456	11,179
	107,938	103,258

¹¹ Refer to Note 22 for restatement details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

15. Finance Costs

	2025	2024
	R'000	R'000
Finance leases	57,645	5,368
	57,645	5,368

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

	2025	Restated 2024
	R'000	R'000
Surplus/(Deficit) for the year	129,611	43,857
Adjustments for:	203,081	137,836
Depreciation and amortisation	144,504	128,399
Increase in lease smoothing	(3,162)	2,827
Increase/(Decrease) in provision for leave	3,076	1,625
Loss on disposal property, plant and equipment	1,031	177
Finance costs	57,645	5,368
Increase/(Decrease) in provision for doubtful debts	(13)	(560)
Add/(less) changes in working capital	(93,237)	(18,659)
(Decrease)/Increase in trade payables	30,532	58,144 ¹²
Decrease/(Increase) in prepayments	3,531	(17,322)
Decrease/(Increase) in trade receivables	(127,249)	(59,081)
Decrease/(Increase) in Inventories	(51)	(400)
Net Cash Flows from Operating Activities	239,455	163,034

17. Commitments

	2025	2024
	R'000	R'000
Capital expenditure	198,765	69,268
	198,765	69,268

12 Refer to note 22 for restatement details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

18. Post-reporting-date events

Subsequent to year-end, the GPAA cancelled its lease agreement and the related construction and development agreements with Shula Developers for proposed office premises in Brooklyn, Pretoria East. The lease agreement provided for payments of approximately R1,0 billion over a term of 9 years and 11 months, while the construction and development agreement had a total contract value of R239 million. Payments amounting to R35,9 million under the construction and development agreement were recovered in August 2025. In addition, interest of R0,887 million related to these payments has been recognized as receivable at year end.

Furthermore, at the request of the Minister of Finance, the National Treasury commissioned several forensic investigations into procurement irregularities. As at the date of approval of these financial statements, the investigation had not yet been completed. Accordingly, the potential impact of the findings on the financial statements cannot be determined at this stage and will be accounted for in the next financial year. These outcomes may affect the amounts currently disclosed as fruitless and wasteful expenditure and irregular expenditure.

19. Irregular Expenditure**19.1 Irregular expenditure and fruitless and wasteful expenditure**

	2025	2024
	R'000	R'000
Irregular expenditure incurred in the current year	48,549	3,855
Fruitless and wasteful expenditure incurred in the current year	96,883	4
	145,432	3,859

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

19.2 Disciplinary steps taken as a result of irregular expenditure

Details of the irregular expenditure	Corrective steps taken	2025	2024
		R'000	R'000
Contravention of PPPFA	Assessment test under the consideration of Loss and Control Committee	484	-
Services received without approved contract	Assessment test under the consideration of Loss and Control Committee	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 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.	-	2,308
Non-compliance with quotations.	To be investigated.	-	577
Expenditure relating to contract signed without delegation of authority	To be investigated.	19,931	-
Appointment of the 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.	-	970
		48,549	3,855

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

Details of the fruitless and wasteful expenditure	Corrective steps taken	2025	2024
		R'000	R'000
Accommodation paid in vain.	The matter is still being considered.	-	4
Failure to deliver services under the signed contracts for the Brooklyn Office building which the lessor had no ownership or access to the building, with total contracts values of approximately R1,2 billion.	Funds to be recovered	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.	Funds to be recovered	26,611	-
Payment made under the Biometric contract for a "Customer initiation fee" with no services rendered.	Funds to be recovered	13,282	-
Lease payments made for the Biometric solution without valid approval and contract to support the lease payment in a deal that approximate R500 million.	Funds to be recovered	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.	Funds to be recovered	11,965	-
Non-Compliance with Preferential Procurement Regulations resulting in award made to the most expensive supplier	Funds to be recovered	17	-
		96,883	4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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**

	2025	2024
	R'000	R'000
Non-current and Current assets		
Cash and cash equivalents	109,698	108,028
Trade and other receivables from exchange transactions	288,289	161,027
	397,987	269,055
Current liabilities		
Trade and other payables from exchange transactions	187,034	156,502
	187,034	156,502

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 and financial guarantees:

	2025	2024
	R'000	R'000
Non-current and Current assets		
Cash and cash equivalents	109,698	108,028
Trade and other receivables from exchange transactions	288,289	161,027
	397,987	269,055

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 and have 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 Government Employees Pension Fund (GEPF), National Treasury, Associated Institutions Pension Fund (AIPF) and Temporary Employees Pension Fund (TEPF). The only amounts overdue are other receivables, which are insignificant. Refer to note 6 - Loans and Receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

Financial Assets

	2025 R'000	2024 R'000
Cash and cash equivalents	109,698	108,028
Trade and other receivables from exchange transactions	288,289	161,027
	397,987	269,055

Payables

GPAA is only exposed to liquidity risk regarding the payment of its payables. These payables are all due within a 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:

2025

	Not later than one month R'000	Later than one month and not later than three months R'000	Later than three months and not later than one year R'000	Total R'000
Trade and other payables	171,512		15,522	187,034
	171,512	-	15,522	187,034

2024

	Not later than one month R'000	Later than one month and not later than three months R'000	Later than three months and not later than one year R'000	Total R'000
Trade and other payables	141,786	-	14,716	156,502
	141,786	-	14,716	156,502

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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:

	2025		2024	
	Fixed rate instruments	Variable rate instruments	Fixed rate instruments	Variable rate instruments
	R'000	R'000	R'000	R'000
Cash and cash equivalents	-	109,698	-	108,028
	-	109,698	-	108,028

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.

Change in interest rate %	2025		2024	
	Upward	Downward	Upward	Downward
Prime	1,097	(1,097)	1,080	(1,080)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

22. Prior period errors

During the current financial year, management identified material prior period errors relating to (a) software license costs and (b) postal services costs, which had not been accrued in the 2023/24 financial year. These invoices were received after the publication of the 2023/24 financial statements, resulting in misstatements of the statement of financial position, the statement of financial performance and the statement of cash flows. The errors and their corrections, in line with GRAP 3, are detailed below:

Software license – R19,4 million

The cost of software licenses amounting to R19,4 million was not accrued in the 2023/24 financial year. This omission resulted in the understatement of intangible assets and current liabilities by R19,4 million, as well as an understatement of accumulated amortisation of R0,331 million. Consequently, the carrying amount of intangible assets and the prior year surplus was understated by R19,0 million. The error has been corrected by restating the comparative balances for intangible assets, current liabilities, accumulated amortisation, and the prior year surplus.

Postal services – R3,1 million

Postal services costs of R3,1 million were not accrued in the 2023/24 financial year. This resulted in the understatement of communication expenses and current liabilities by R3,1 million. The error has been corrected by restating the comparative balances for communication expenses and current liabilities.

Impact on administration income and current assets – R22,5 million

As the GPAA earns income on a cost recovery basis, the total costs associated with these transactions (R22,5 million) also resulted in the understatement of trade and other receivables and administration income by the same amount in the prior year. The error has been corrected by restating the comparative balances for administration income, trade and other receivables, and the prior year surplus.

Impact on cash flows

The omission of these costs further resulted in the understatement of net cash flows from operating activities and net cash flows from investing activities by R19,3 million. The error has been corrected by restating the comparative balances for both net cash flows from operating activities and net cash flows from investing activities. However, these adjustments offset each other, resulting in no impact on the prior year's reported cash balance.

In accordance with GRAP 3, the comparative figures for the 2023/24 financial year have been restated to correct these prior period errors as detailed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Description	Note	2024	Error correction	2024
		Previously Reported Balances		Restated Balances
		R'000	R'000	R'000

Statement of Financial Position

Non-current assets		54,081	45,003	99,084
Intangible assets	4	54,081	19,018	73,099
Trade and other receivables	6	-	25,985	25,985
Current assets		138,527	(3,485)	135,042
Trade and other receivables	6	138,527	(3,485)	135,042
		192,608	41,518	234,126
Current liabilities		134,002	22,500	156,502
Trade and other payables	10	134,002	22,500	156,502
Effect on Accumulated Surplus		280,667	19,018	299,685

Statement of Financial Performance

Revenue		1,283,885	22,500	1,306,385
Administration income	13.1	1,283,885	22,500	1,306,385
Expenses		161,919	3,482	165,401
Amortisation	4.1	92,103	331	92,434
Other operating expenses		5,946	22	5,968
Communication		63,870	3,129	66,999
Effect on Surplus/Deficit		1,121,966	19,018	1,140,984

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Cash Flows Statement

Cash flow generated from operations		137,696	19,349	157,045
Cash receipts from customers		1,247,493	22,500	1,269,993
Cash paid to employees and suppliers		(1,109,797)	(3,151)	(1,112,948)
Net cash from operating activities	16	143,685	19,349	163,034
Net cash flows from investing activities		(57,154)	(19,349)	(76,503)
Additions to intangible assets	4.1	(57,154)	(19,349)	(76,503)
Net increase/(decrease) in cash and cash equivalents		49,101	-	49,101

23. Related Party Transactions**23.1 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)	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
GEPF	1,655,754	1,239,537 ¹³	195,501	146,559 ¹
National Treasury (Programme 7)	68,010	62,389	11,172	5,841
AIPF	7,199	4,126	7,199	4,126
TEPF	226	183	226	183
Department of Military Veterans	259	150	410	150
	1,731,448	1,306,385	214,508	156,859

13 Refer to Note 22 for restatement details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

23.2 Expenditure and Trade Payables

Description	Expenditure		Balances	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Public Investment Corporation Limited	5,878	13,497	198	683
GEPF	-	-	36,243	35,948
	5,878	13,497	36,441	36,631

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

23.3 Disclosure of Executive Remuneration

Name	Designation	2025			2024		
		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	2,488	-	2,488	2,388	-	2,388
Molebatsi, K.A.	Acting Chief Financial Officer	1,466	-	1,466	1,689	-	1,689
Coetzee, M.	Chief Information Officer	1,495	-	1,495	1,427	-	1,427
Kgoele, L.	Chief Risk Officer	1,493	-	1,493	1,393	-	1,393
Kemp, M.J.	General Manager: Human Resources	1,801	-	1,801	1,584	-	1,584
Mda, P	General Manager: Finance	1,644	-	1,644	1,532	-	1,532
Nieuwoudt L.	General Manager: Management Support	1,623	-	1,623	1,407	-	1,407
De Witt, E.	General Manager: Legal	1,683	-	1,683	1,579	-	1,579
Morar J.	Employee Benefits	-	-	-	826	-	826
Mpye, Y.	Acting General Manager: Employee Benefits	1,587	-	1,587	1,446	-	1,446
Morudu, E.	Manager: CRM	1,439	-	1,439	1,505	-	1,505
Mngqibisa M.	General Manager: Non-Contributory Funds	1,735	-	1,735	1,653	-	1,653
Sennelo, M.	Chief Audit Executive	1,248	-	1,248	1,127	-	1,127
		19,702	-	19,702	19,556	-	19,556

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

23.4 Audit Committee Members Remuneration

Name	Designation	2025			2024		
		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	288	-	288	278	-	278
Sinthumule, A.F.	Member	288	-	288	278	-	278
Muhammed A.E.A	Chairperson						
	RMC	23	134	157	26	138	164
	Member						
De Kock C.G	RMC	-	103	103	-	87	87
Van Der Nest D.P	Member	248	-	248	-	-	-
		847	237	1,084	582	225	807

24. Segment Reporting

The GPAA has identified its reportable segments based on the clients for whom it administers pension funds. Accordingly, the two segments are Government Employees Pension Fund (GEPF) – administered on behalf of the GEPF; and National Treasury – which includes Civil and Military Pensions, the Associated Institutions Pension Fund (AIPF), and the Temporary Employees Pension Fund (TEPF), administered on behalf of the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

24.1 Statement of Financial Position per Segment

	Notes	2025				2024			
		GEPP	National treasury	Items not allocated to segments	Total	GEPP	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		42,107	-	274,300	316,407	25,985	-	217,078	243,063
Current Assets		153,393	19,008	202,402	374,803	120,722	10,153	134,598	265,473
TOTAL ASSETS		195,500	19,008	476,702	691,210	146,707	10,153	351,676	508,536
Non-Current Liabilities		41,920	188	-	42,108	23,307	81	-	23,388
Current Liabilities		213,193	5,234	1,379	219,806	180,149	3,954	1,360	185,463
Accumulated Surplus		-	-	429,296	429,296	-	-	299,685	299,685
TOTAL LIABILITIES AND RESERVES		255,113	5,422	430,675	691,210	203,456	4,035	301,045	508,536

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

24.2 Statement of Financial Performance per Segment

	Notes	2025				2024			
		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		1,655,754	75,694	9,737	1,741,185	1,239,537	66,848	6,179	1,312,564
Administration income		1,655,754	75,694	-	1,731,448	1,239,537	66,848	-	1,306,385
Other income		-	-	9,737	9,737	-	-	6,179	6,179
Expenditure		1,392,815	74,255	144,504	1,611,574	1,074,200	66,108	128,399	1,268,707
Personnel costs		569,132	70,562	-	639,694	525,566	64,214	-	589,780
Depreciation and amortisation		-	-	144,504	144,504	-	-	128,399	128,399
Other operating expenses		823,683	3,693	-	827,376	548,634	1,894	-	550,528
Surplus/(Deficit) for the period		262,939	1,439	(134,767)	129,611	165,337	740	(122,220)	43,857

