

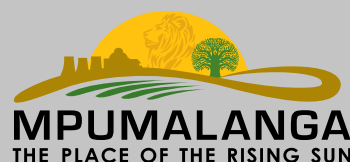
ANNUAL REPORT 2025/26



**PROVINCIAL
TREASURY
MPUMALANGA
PROVINCE
VOTE 3**



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



MPUMALANGA
THE PLACE OF THE RISING SUN





“

*Progress is achieved when
we stand together with purpose,
grow through partnership,
and remain committed
to a shared future*

”



CONTENTS

ANNUAL REPORT 2025/26

PART A: GENERAL INFORMATION

4

1.	DEPARTMENT GENERAL INFORMATION	5
2.	LIST OF ABBREVIATIONS/ACRONYMS	6
3.	FOREWORD BY THE MEC	8
4.	REPORT OF THE ACCOUNTING OFFICER	10
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	15
6.	STRATEGIC OVERVIEW	16
a.	Vision	16
b.	Mission	16
c.	Values	16
7.	LEGISLATIVE AND OTHER MANDATES	17
8.	ORGANISATIONAL STRUCTURE	20
9.	ENTITIES REPORTING TO THE MEC	21

PART B: PERFORMANCE INFORMATION

22

1.	AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	23
2.	OVERVIEW OF DEPARTMENTAL PERFORMANCE	23
2.1	Service Delivery Environment	23
2.2	Organisational Environment	26
2.3	Key policy developments and legislative changes	28
3.	ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES	28
4.	PROVINCIAL PROGRAMME OF ACTION: PROVINCIAL TREASURY PRIORITIES	28
5.	PROVINCIAL OWN REVENUE COLLECTION	31
6.	PROVINCIAL INFRASTRUCTURE	31
7.	PERFORMANCE MANAGEMENT	32
8.	PARTNERSHIP	33
9.	MEC OUTREACH	33
10.	BUSINESS PROCESS AUTOMATION	33
11.	INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	34
11.1	Programme 1: Administration	34
11.2.	Programme 2: Sustainable Resource Management	38
11.3.	Programme 3: Assets and Liabilities Management	44
11.4.	Programme 4: Financial Governance	50
12.	TRANSFER PAYMENTS	56
5.1.	Transfer payments to public entities	56
5.2.	Transfer payments to all organisations other than public entities	56
13.	CONDITIONAL GRANTS	57
14.	DONOR FUNDS	57
15.	CAPITAL INVESTMENT	57
15.1.	Transfer payments to public entities	57

PART C: GOVERNANCE

58

1.	INTRODUCTION	59
2.	RISK MANAGEMENT	59
3.	FRAUD AND CORRUPTION	61
4.	MINIMISING CONFLICT OF INTEREST	62
5.	CODE OF CONDUCT	62
6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	63
7.	PORTFOLIO COMMITTEES	63
8.	SCOPA RESOLUTIONS	73
9.	PRIOR MODIFICATIONS TO AUDIT REPORTS	77
10.	INTERNAL CONTROL UNIT	77
11.	INTERNAL AUDIT AND AUDIT COMMITTEES	77
12.	AUDIT COMMITTEE REPORT	85
13.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	89

PART D: HUMAN RESOURCE MANAGEMENT

90

1.	INTRODUCTION	91
2.	OVERVIEW OF HUMAN RESOURCES	91
3.	HUMAN RESOURCES OVERSIGHT STATISTICS	95

PART E: PFMA COMPLIANCE REPORT

134

1.	IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES	135
	1.1. Irregular expenditure	135
2.	LATE AND/OR NON-PAYMENT OF SUPPLIERS	135
3.	INFORMATION ON SUPPLY CHAIN MANAGEMENT	135

PART F: FINANCIAL INFORMATION

136

1.	REPORT OF THE AUDITOR-GENERAL	138
2.	ANNUAL FINANCIAL STATEMENTS	146

PART A



GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS: Nokuthula Simelane Building ,
No 7 Government Boulevard
Riverside Park Extension 2
Mbombela, 1200

POSTAL ADDRESS: Private Bag X11205
Mbombela
1200

TELEPHONE NUMBER:  +27 13 766 4404/4572

RECEPTION NUMBER:  +27 13 766 4437

EMAIL ADDRESS:  HOTreasury@mpg.gov.za

WEBSITE ADDRESS:  <https://treasury.mpg.gov.za>

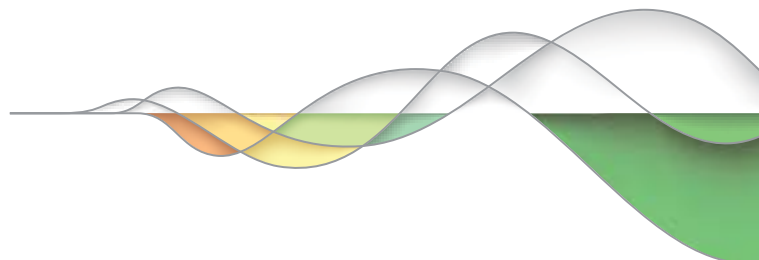
X:  @MPTreasury

FACEBOOK:  Mpumalanga Treasury

2. LIST OF ABBREVIATIONS/ACRONYMS

ABSA	Amalgamated Bank of South Africa
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
AO	Accounting Officer
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BBBEEA	Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
BCM	Business Continuity Management
BCP	Business Continuity Plan
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
COGHSTA	Department of Cooperative Governance, Human Settlements and Traditional Affairs
CSD	Central Supplier Database
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPWRT	Department of Public Works Roads and Transport
DTI	Department of Trade and Industries
EDD	Electronic Document Delivery
EHW	Employee Health and Wellness
ERMF	Enterprise Risk Management Framework
EU	European Union
EXCO	Executive Council Committee
FRP	Financial Recovery Plan
GDP	Gross Domestic Product

GIAMA	Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
HIRA	Hazard Identification and Risk Assessment
HIV	Human Immunodeficiency Virus
HPT	Head: Provincial Treasury
HR	Human Resource
IAISP	Integrated Audit Improvement Support Plan
ICT	Information Communication Technology
IDMS	Infrastructure Delivery Management System
IT	Information Technology
IYM	In-Year Monitoring
LED	Local Economic Development
LOGIS	Logistical Information System
MAA	Mpumalanga Appropriation Act
M&E	Monitoring And Evaluation
MEC	Member of Executive Council
MEGA	Mpumalanga Economic Growth Agency
MER	Mpumalanga Economic Regulator
MERRP	Mpumalanga Economic Recovery and Reconstruction Plan
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MPL	Member of Provincial Legislature
MPT	Mpumalanga Provincial Treasury
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTPA	Mpumalanga Tourism and Parks Agency
MTSF	Medium Term Strategic Framework
NFAST	National First Aid and Safety Training
NSG	National School of Government



2. LIST OF ABBREVIATIONS/ACRONYMS CONTINUED

NT	National Treasury	PSA	Public Service Act, 1994 (Proclamation No. 107 of 1994) Public Service Association
OAG	Office of the Accountant General	PSCBC	Public Service Commission's Bargaining Council
OHS	Occupational Health and Safety	PSDF	Provincial Spatial Development Framework
ORW	Other Remunerative Work	PSR	Public Service Regulations, 2016
ORW	Outstanding Resource Water	PSRF	Public Sector Risk Management Framework
OTP	Office of the Premier	PSWMW	Public Service Women Management Week
PAIA	Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	PYEI	President Youth Employment Initiative
PAJA	Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	REMC	Risk and Ethics Management Committee
PAMA	Public Administration Management Act, 2014 (Act No. 11 of 2014)	SAIPA	South African Institute of Professional Accountant
PERSAL	Personnel Salary System	SALGA	South African Local Government Association
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)	SARB	South African Reserve Bank
PGDP	Provincial Growth and Development Plan	SARS	South African Revenue Service
PILIR	Policy on Incapacity and Ill Health Retirement	SCM	Supply Chain Management
PINK	Procurement Infrastructure Knowledge Management	SCOPA	Select Committee on Public Accounts
PMDS	Performance Management and Development System	SDIP	Service Delivery Improvement Plan
PMTCT	Prevention of Mother to Child Transmission	SEDA	Small Enterprise Development Agency
POPIA	Protection of Personal Information Act, 2013 (Act No. 4 of 2013)	SHEQ	Safety Healthy and Environment Quality
PPOA	Provincial Programme of Action	SITA	State Information Technology Agency
PPP	Public Private Partnership	SLA	Service Level Agreement
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	SMME	Small Medium and Micro Enterprises
PPPFR	Preferential Procurement Policy Framework Regulations, 2022	SMS	Senior Management Services
PRMF	Provincial Risk Management Framework	SBSA	Standard Bank of Southern Africa
		TR	Treasury Regulations, 2005
		TVET	Technical Vocational Education and Training

3. FOREWORD BY THE MEC



MR BONAKELE MAJUBA
MEC for Finance

“

This report highlights the Department's efforts in fulfilling its constitutional duties and underscores our commitment to accountability, transparency, and responsible management

”

I am pleased to present the Mpumalanga Provincial Treasury's Annual Report for the financial year under review. This report highlights the Department's efforts in fulfilling its constitutional duties and underscores our commitment to accountability, transparency, and responsible management of public resources to advance the Province's developmental goals.

Policy directives and strategic outcomes

Our mandate encompasses fiscal policy and advisory on budget management and governance to public-sector institutions in the Province. During the year under review, the Provincial Treasury implemented various programmes as referenced in this report.

To highlight a few, we

- tabled Provincial Appropriation Bills to give practical meaning to the Medium-Term Development priorities of the Province.
- transferred funds as per the agreed schedules to departments to implement the policy priorities as alluded to in the legislative framework governing public finances
- stepped in to facilitate governance-related processes related to the operationalisation of various critical infrastructure projects, such as the Mpumalanga International Food Market, the new King Nyabela Hospital and many others.

We will continue to build on the progress registered in this financial year to deepen fiscal discipline, strengthen oversight across all institutions, and affirm this administration's commitment to building a capable, ethical, and developmental state.

Challenges during the financial year under review

The financial year was marked by several major challenges. Ongoing fiscal constraints, growing service delivery demands, and persistent pressure on provincial finances. Despite these challenges, the Department showed



3. FOREWORD BY THE MEC CONTINUED

resilience and continued to support departments, public entities and municipalities to enhance the overall financial administration and governance.

Medium-term strategic focus areas

The Department's medium-term focus is centred on improving revenue management, enhancing expenditure efficiency, modernising administration and financial management systems, and strengthening governance and accountability mechanisms across the provincial institutions.

We will continue to place a high premium on improving audit outcomes to restore public trust in the resource allocation and deployment to service delivery programmes in the Department and across the provincial administration.

We remain committed to maintaining the highest standards of integrity, accountability, and excellence in public financial management.

Acknowledgements/appreciation

I extend my sincere appreciation to the Premier, Mr Mandla Ndlovu, the Portfolio Committee on Finance, Head Official, Ms Gugu Mashiteng, management and all officials whose dedication and collaboration have contributed to the achievements reflected in this report.

We have pledged to the people of Mpumalanga to serve them. We will continue to strengthen financial governance, promote fiscal sustainability so that the benefits of the public finances accrue to the citizens of the Place of the Rising Sun.

Mr BA MAJUBA, MPL

MEC FOR FINANCE

Date: 31 July 2026

4. REPORT OF THE ACCOUNTING OFFICER



MS GUGU MASHITENG

Accounting Officer: Provincial Treasury

“The Department has, as at the end of the financial year, achieved 100% of the planned APP targets, a success attributable to strategic recruitment and ongoing staff training.”

Overview of the operations of the Department

The Provincial Treasury derives its primary mandate from the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA). These two legislative frameworks are critical anchors of effective financial administration and accountability within the Public Service.

The Provincial Treasury developed and implemented an approved Annual Performance Plan (APP) that encompasses the mandatory activities outlined in the PFMA and MFMA during the 2025/26 fiscal year. The Department has, as at the end of the financial year, achieved 100% of the planned APP targets, a success attributable to strategic recruitment and ongoing staff training.

The Department tabled four Appropriation Bills and associated budget documentation to the Provincial Legislature to facilitate transparent public expenditure. The Department also maintained a consistent expenditure reporting system to ensure reliable data for future decision-making on budgets.

During the year under review, the Department developed the Provincial Revenue Enhancement Strategy to broaden the revenue base, enhance compliance at collection points, and sustain high collection rates across all revenue streams. The overall provincial receipts for the year ending 31 March 2026 is R4.758 billion.

The Department continued to monitor the implementation of public procurement policies, and consolidated reports on supplier payments for goods, services and works. These reports were submitted to relevant state institutions, such as the Public Service Commission and the National Treasury for further processing in line with their respective mandates.

The Department supported the adoption of physical asset management practices across Departments, Public entities, and Municipalities, and actively participated in related interdepartmental fora.

4. REPORT OF THE ACCOUNTING OFFICER CONTINUED

The Provincial Treasury provided information technology and communication infrastructure, financial systems and related support to enable Provincial Departments to perform their administrative functions and deliver services to the citizens. During the year under review, the department also partnered with the Centre for Public Sector Innovation to further develop and pilot an electronic recruitment system for the Provincial Administration. The Department plans to fully deploy the system throughout the Provincial Administration in the 2026/27 financial year.

The Department provided support to municipalities in accordance with the programme of action for the period under review. This included facilitating the Provincial Debt Forum, convening strategic engagement sessions, and offering professional support to finance practitioners in line with MFMA reporting requirements.

During this period, the Provincial Treasury assisted public-sector entities in integrating prescribed norms and standards across functions, including accounting, risk management, and internal audit. The Department also adopted an integrated approach to reviewing the PFMA and MFMA audit remedial plans and provided advice, with varying degrees of success, as detailed in the Auditor General's Report for the 2024/25 audit cycle.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

DEPARTMENTAL RECEIPTS

Departmental receipts	2024/2025			2025/2026		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	2 662	797	1 865	1 958	1 049	909
Transfers received	-	-	-	-	-	-
Interest, dividends and rent on land	157 333	298 347	(141 014)	163 037	710 398	(547 361)
Sale of capital assets	-	-	-	-	514	(514)
Financial transactions in assets and liabilities	2	14 832	(14 830)	2	1 434	(1 431)
Total	159 997	313 976	(153 979)	164 997	713 395	(548 397)

The Provincial Treasury collected R713 395 000, which translates to 430 per cent of the planned target of R164 997 000. The over collection is mainly on the interest accrued on the PMG and Revenue Fund accounts.

4. REPORT OF THE ACCOUNTING OFFICER CONTINUED

Programme Expenditure

Departmental receipts	2024/2025			2025/2026		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	145 453	143 777	1 676	170 595	166 363	4 232
Sustainable Resource Management	72 184	71 647	537	80 064	79 863	201
Assets and Liabilities Management	339 788	305 586	34 202	364 704	352 539	12 165
Financial Governance	28 953	28 731	222	32 131	32 078	53
Total	586 378	549 741	36 637	647 494	630 843	16 651

The Provincial Treasury has spent R630 843 000, which is 97.43 percent of the allocated budget of R647 494 000. The total underspending of R16 651 000 was mainly for goods and services (Licences for Business Process Automation and Microsoft migration) and, capital assets due to delays in the delivery of office furniture and computer equipment (switches).

VIREMENTS/ROLL-OVERS

The Provincial Treasury did not request Virements or Roll-Overs at the year-end.

UNAUTHORISED, IRREGULAR, FRUITLESS, AND WASTEFUL EXPENDITURES

The Provincial Treasury did not incur any Unauthorised, Irregular, Fruitless and Wasteful Expenditure during the financial year under review.

STRATEGIC FOCUS OVER THE SHORT TO MEDIUM TERM PERIOD

The Provincial Treasury aims to improve systems and enhance support to Provincial Departments, Municipalities and Public Entities on financial and administrative management. The Provincial Treasury will continue to support Provincial Departments in maximising collections and generating Own Revenue through capacity-building workshops, convening revenue forums, and monitoring cash offices.

The focus of Provincial Treasury is to support municipalities with improvement in the following areas:

- Development of funded budgets
- Improved revenue management
- Improved role of oversight through training of relevant municipal structures and committees
- Improvement of the control environment



4. REPORT OF THE ACCOUNTING OFFICER CONTINUED

The introduction of financial management reforms within the Government from time to time ensures that Provincial Treasuries are able to effectively discharge their responsibility of promoting sound financial management and ensuring that the Government's physical and financial assets, as well as liabilities, are properly managed

The Provincial Treasury will contribute to efforts aimed at improving service delivery to the people of the Mpumalanga Province. The implementation of appropriate supply chain management practices, including their governance framework, will contribute to poverty alleviation, job creation and economic development, as well as infrastructure development, which includes proper roads, housing, schools, and hospitals, amongst others.

PUBLIC-PRIVATE PARTNERSHIPS

The Provincial Treasury provided advice and support on Public-Private Partnerships to Departments, Public Entities, and Municipalities. This support is provided in liaison with the National Treasury's Public Private Partnerships unit.

DISCONTINUED KEY ACTIVITIES/ACTIVITIES TO BE DISCONTINUED.

There are no discontinued activities or activities to be discontinued.

NEW OR PROPOSED KEY ACTIVITIES.

There were no new or proposed key activities.

SUPPLY CHAIN MANAGEMENT

The Provincial Treasury has an approved Supply Chain Management Policy that is aligned to the Preferential Procurement Regulations 2022 (PPR 2022), which came into effect on the 16th of January 2023. All Bid Committees were appointed in line with applicable prescripts and legislation. All requisite processes and systems are in place to prevent Unauthorised, Irregular, Fruitless and Wasteful expenditures.

GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

For the period under review, the Provincial Treasury received sponsorship in the form of various items valued at Two Hundred Thousand Rand (R200 000) from the Amalgamated Banks of South Africa (ABSA) for the Employee Excellence Awards held on 11 December 2025.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The Provincial Treasury did not apply for exemptions from the National Treasury for the financial year under review.

EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date.

OTHER

There were no material facts or circumstances which may have an effect on the understanding of the financial state of affairs to report on.

4. REPORT OF THE ACCOUNTING OFFICER CONTINUED

ACKNOWLEDGEMENT/S OR APPRECIATION

I would like to convey my appreciation to the management and staff of the Provincial Treasury, the Audit Committee, and the Risk and Ethics Management Committee for their assistance in compiling this Annual Report.

CONCLUSION

The Provincial Treasury will always strive to improve performance to realise the objectives set for this administration.

APPROVAL AND SIGN OFF

I hereby, in my capacity as the Accounting Officer, approve the Annual Report for the 2025/26 financial year.



Ms Gugu Mashiteng

Accounting Officer: Provincial Treasury

Date: 31 May 2026

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgments made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources 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, performance information, human resources information, and financial affairs of the Department for the financial year ended 31 March 2026.

Yours faithfully,



Ms Gugu Mashiteng

Accounting Officer: Provincial Treasury

Date: 31 May 2026

6. STRATEGIC OVERVIEW



VISION

Innovative management of public resources for sustainable development and inclusive growth



MISSION

Sound financial management, accountability, and equitable resource allocation that drives economic development and enhances the quality of life in Mpumalanga



VALUES

Professionalism	Upholding the highest standards in financial management and governance.
Accountability	Taking responsibility for our actions
Transparency	Committing to open communication and clear processes in financial matters
Excellence	Striving for the highest quality in our services and operations.
Innovation	Embracing new ideas and technologies to improve financial management.
Social Responsibility	Ensuring that our financial decisions contribute positively to the community.
Collaboration	Working together with stakeholders to achieve common goals.

7. LEGISLATIVE AND OTHER MANDATES

Applicable legislation	Description
Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009)	Regulates the financial management of Parliament and provincial legislatures in a manner consistent with its status in terms of the Constitution of the Republic of South Africa.
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	Establishes a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
Division of Revenue Act (DORA)	Provides for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for that particular financial year; it further makes provision for determination of each province's equitable share; allocations to provinces, local government and municipalities from national government's equitable share; provides for the responsibilities of all three spheres and provide for the reporting requirements for allocations pursuant to such division and allocations
Government Immovable Asset Management Act, 2007 (Act 19 No. of 2009) (GIAMA)	Provides for a uniform framework for the management of an immovable asset that is held or used by a National or Provincial Department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a National or Provincial Department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a National or Provincial Department; and to provide for matters incidental thereto
Mpumalanga Appropriation Act	Provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for each financial year in question, prescribes conditions for the spending of funds withdrawn for the following financial year before the commencement of the Act for each financial year in question; and for matters incidental thereto.
Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)	Secures sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; establishes treasury norms and standards for the local sphere of government; and provides for matters connected therewith.
Mpumalanga Appropriation Act	Appropriates money from the provincial revenue fund for the requirements of the province. To prescribe conditions for the sending of funds withdrawn for the commencement of the Mpumalanga appropriation.

7. LEGISLATIVE AND OTHER MANDATES CONTINUED

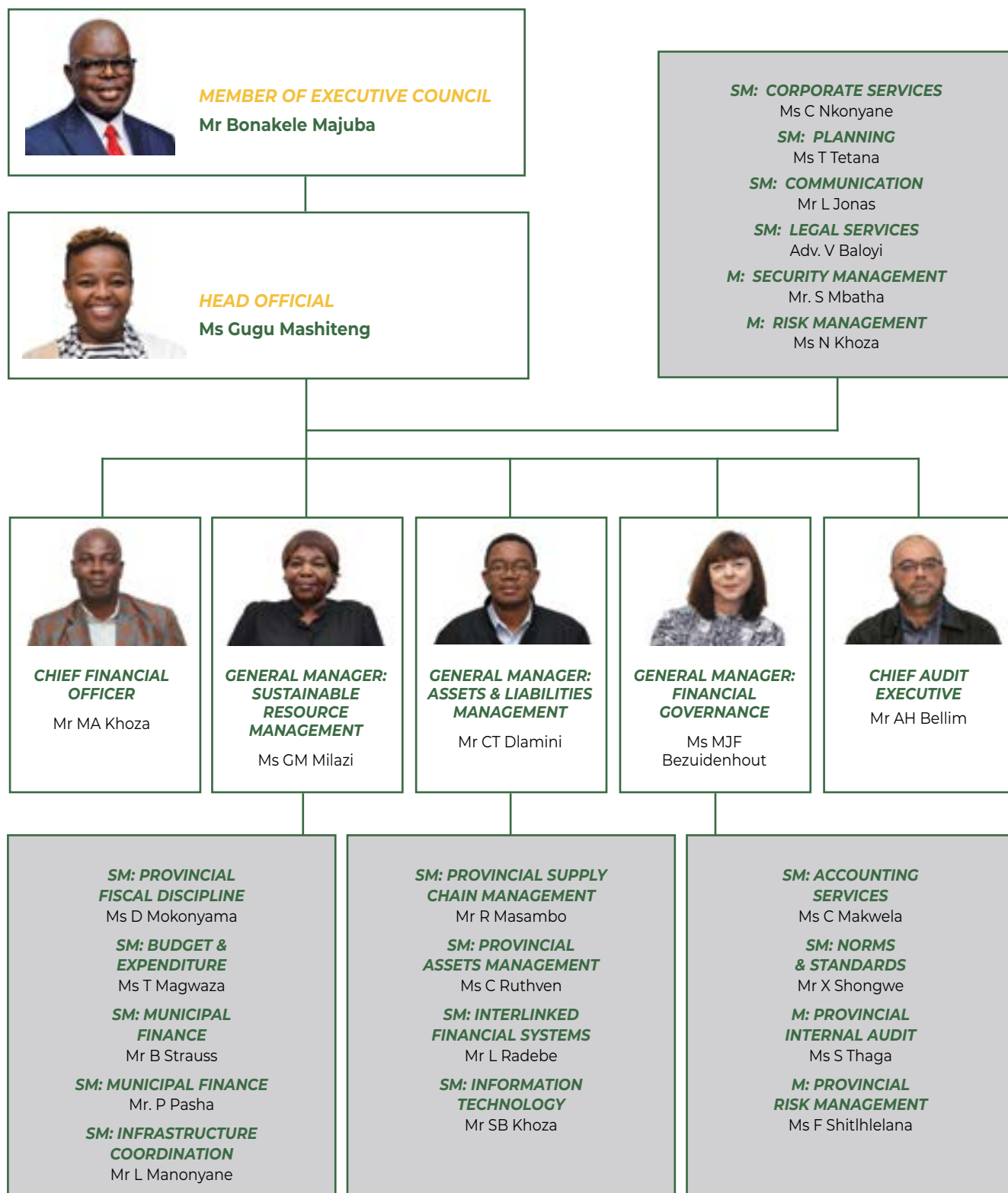
Applicable legislation	Description
The Money Bills Amendment Procedure and Related Matters Act, 2009	Outlines the procedure for amending money bills in Parliament and establishes norms for public finance management.
Powers, privileges and immunities of Parliament and Provincial Legislatures Act 4 of 2004	Defines and declares the rights, powers, and special protections (privileges/immunities) of South African Legislative bodies and their members. Seeks to protect freedom of speech within legislative chambers and ensures independency of legislature and outlines disciplinary actions for contempt.
Preferential Procurement Policy Framework Act, 2000, (Act No.5 of 2000) (PPPFA)	Gives effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.
Preferential Procurement Policy Framework Regulations, 2022	Gives effect to section 217 of the Constitution on the procurement of goods and services by organs of state, ensures compliance with the PPPFA of 2000; and provides transitional arrangements in terms of the Constitutional Court judgement of February 2022.
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA)	Gives effect to the Constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA)	Serves to give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996, and to provide for matters incidental thereto.
Protection of Personnel Information Act, 2013 (Act No. 4 of 2013) (POPIA)	Aims to promote the protection of personal information processed by public and private bodies, introduces certain conditions so as to establish minimum requirements for the processing of personal information, provides for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act and the Promotion of Access to Information Act, 2000, amongst others.
Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)	Regulates the intergovernmental process that must be followed by provinces in the exercise of their power in terms of Section 228 of the Constitution to impose taxes, levies and duties, and flat-rate surcharges on the tax bases of any tax, levy or duty imposed by national legislation, and provides for related matters



7. LEGISLATIVE AND OTHER MANDATES CONTINUED

Applicable legislation	Description
Public Finance Management Act, 1999 (Act 1 No. of 1999) (PFMA)	Regulates financial management in the national and provincial spheres of government; it further ensures that all revenue, expenditure, assets and liabilities of those spheres of government are managed efficiently and effectively; also provides for the responsibilities of persons entrusted with financial management in those governments; the Treasury and to provide for matters connected therewith
Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)	sets out a process for dividing nationally raised revenue between the national, provincial, and local government sphere in South Africa.
Public Audit Act, 2004 (Act 25 of 2004) as amended	provides assistance to the Auditor-General's Office to recover outstanding audit fees and to appropriately respond or intervene on matters rising from audit reports and provides for related matters.
Public Service Act, 1994 (Act No. 103 of 1994) as amended (PSA)	makes provision for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith
Public Service Regulations, 2016 as amended	The Public Service Regulations, 2016 were issued in terms of and in compliance with section 41 of the Public Service Act, No. 103 of 1994
Public Administration Management Act, 2014 (Act No. 11 of 2014) (PAMA)	seeks to promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution, provides for the transfer and secondment of employees in the public administration, regulates conducting business with the State; provides for capacity development and training, provides for the establishment of the National School of Government, provides for the use of information and communication technologies in the public administration, establishes the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit, amongst others.
State Liability Act, 1957 (Act No. 20 of 1957)	consolidates the law relating to the liability of the State in respect of acts of its servants.
Treasury Regulations, 2005	The Treasury Regulations were issued in compliance and in terms of Section 76 of the Public Finance Management Act, No. 1 of 1999.

8. ORGANISATIONAL STRUCTURE



PROVINCIAL TREASURY MANAGEMENT TEAM



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC for the financial year

PART B



PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 138 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The Provincial Administration focused its efforts on initiatives to enhance public service delivery in Mpumalanga during the year under review. Notably, the Provincial Treasury achieved all planned targets for the fiscal year ending 31 March 2026.

Departmental Administration and Governance

The Provincial Treasury plays a crucial role in promoting sound financial management among Departments, Public Entities, and Municipalities within the Province. By providing guidance on budget preparation and governance processes, the Department fosters transparency, accountability, and effective financial management of resources.

As outlined in the Provincial Programme of Action, the Provincial Treasury will focus on the following priorities:

- Fiscal discipline within the Provincial Administration
- Digitalisation of governance and government services for a functional, efficient, and integrated government
- Transformative public procurement for inclusive growth
- Driving high performance and fostering a culture of excellence in line with Batho Pele principles

The above strategic priorities will continue to guide the Department's actions in the forthcoming year.

Service Delivery Improvement Plan

Main Services	Beneficiaries	Current/Actual standards services	Desired standards of services	Actual achievements
Non-compliance with National Treasury instruction note number 9, (Publication of bidders list within 10 working days after closure)	11 Votes	Percentage of bidders list published within 10 working days after bid closure	100% of advertised bids to be published within 10 working days after bid closure	55% (5866) of the bidders' list published within 10 working days after bid closure.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE CONTINUED

Main Services	Beneficiaries	Current/Actual standards services	Desired standards of services	Actual achievements
				45% (4828) of the bids were not published within 10 working days. Various forums have been used to encourage departments to submit the information for publication.
Submission of incorrect bid specifications by Departments	11 Votes	No of bid bulletins published with correct specifications	11 bid bulletins	11 bid bulletins published

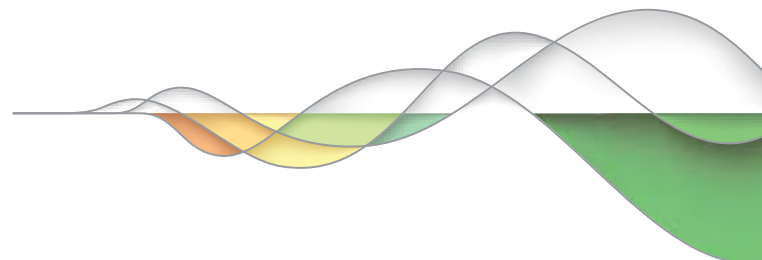
Main services and standards

Batho Pele arrangements with beneficiaries (Consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Availability of the published bidders list	Publication of the bidder's list	55% of the bidders' list published within 10 working days after bid closure.
MPT holds constant engagements with relevant stakeholders as per plan	Bid Committees members will be trained SCM Forums CFO Forums	396 Bid Committee members have been trained 1 Annual Supply Chain Forum has been conducted 4 Chief Financial Officers Forums have been conducted

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Website	Email: infotreasury@mpg.gov.za.	Advertisement and the bidder's list



2. OVERVIEW OF DEPARTMENTAL PERFORMANCE CONTINUED

Current/actual information tools	Desired information tools	Actual achievements
Help Desk Quarterly Performance Reports	Bid Committee trainings SCM forums Availability of bid bulletins	396 Bid Committee members have been trained 1 Annual Supply Chain Forum has been conducted 4 Chief Financial Officers Forums have been conducted

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>Complaints are managed and addressed through a dedicated email address.</p> <p>A complaints management tool has been developed to streamline the process and enhance response effectiveness.</p>	<p>All complaints received are addressed in writing and responded to formally, ensuring that each issue is acknowledged and properly managed.</p>	<p>Provincial Treasury received a total of eighteen (18) invoices older than 30 days that were not paid by Provincial Departments and Municipalities, amounting to R18 200 011 and R1 668 462, respectively.</p> <p>The number of invoices for Provincial Departments were 15 (fifteen) in the 2025/26 financial year amounting to R18 200 011, Out of 15 (fifteen) Invoices only (12) twelve were resolved amounted to R8 086 323 while (03) three invoices were not resolved during the year of assessment amounting to R10 113 588 but payment arrangements are in place between the service providers and the Department.</p> <p>The number of invoices for Municipalities were (03) three in the 2025/26 financial year, amounting to R1 668 462, Out of 03 (three) Invoices only (02) two were resolved, amounting to R429 194, while (01) one invoice, amounting to R1 239 268 was not resolved during the year due to contract dispute.</p>

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE CONTINUED

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
		<p>All complaints received were duly attended to, ensuring that each complaint was properly addressed in a timely manner.</p> <p>This demonstrates our commitment to responsiveness and effective complaint management. During the 2026/27 Financial Year, the Provincial Treasury will implement campaigns including utilisation of social media to encourage Service Providers to report non-payment of invoices within 30 days.</p>

2.2 ORGANISATIONAL ENVIRONMENT

The mandate of the Provincial Treasury is to provide financial and governance support to enable effective implementation of the Public Finance Management Act (PFMA) in Departments and Public Entities and Municipal Finance Management Act (MFMA) in Municipalities.

The current organisational structure makes provision for four Programmes. Programme 1 is responsible for the financial and administrative management and support, while the other three Programmes focus on treasury functions.

The Provincial Treasury has an approved organisational structure consisting of 433 posts. The process of revising the current organisational structure has been completed, and concurrence has since been obtained from the Minister of Public Service and Administration and approved by the Executive Authority.

At the end of 31 March 2026, the Provincial Treasury operated with a total of 332 staff, comprising 328 permanent posts and 4 employees on developmental programme (interns). The overall vacancy rate, based on posts in the approved organisational structure, is 24.2%, with 105 vacant posts against a total of 433 posts.

Posts in the Approved Organogram	Vacant Posts as per	Actual achievements
433	105	328

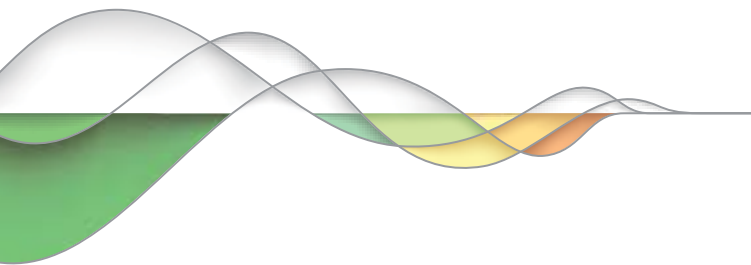
The Provincial Treasury filled thirty-five (35) permanent posts during the period under review, which significantly enhanced capacity in service delivery. A staff turnover of 22.70% (90 employees) was recorded, comprising 19.6% (78) employees on developmental programme and 3.0% (12) permanent employees due to service terminations during the period under review. To ensure or enhance business continuity within various units where there are vacancies, the Provincial Treasury appointed officials to act in higher positions and acting allowances were paid.



2. OVERVIEW OF DEPARTMENTAL PERFORMANCE CONTINUED

In addition to the above, the Provincial Treasury coordinated twenty (20) Skills Development Programmes, which were facilitated by various training providers, namely:

Training Programme	Training Service Provider
Advanced Project Management for the Public Service (SL 7-14)	National School of Government
Coaching and Mentoring (SL 7-14)	National School of Government
Change Management and Leadership (SL 7-14)	National School of Government
Compulsory Induction Programme (SL 1-3)	National School of Government
Compulsory Induction Programme (SL 4-5)	National School of Government
Compulsory Induction Programme (SL 6-12) online	National School of Government
Compulsory Induction Programme (SL 1-16)	National School of Government
Emotional Intelligence (SL 1-16)	National School of Government
Ethics in the Public Service (SL 1-16) eLearning	National School of Government
Financial Management and Development Programme	National School of Government
Financial Management Delegations of Authority (SL 9-16) eLearning	National School of Government
Khaedu Training and Deployment to Service Delivery Sites (SL 13-16)	National School of Government
Leadership and Management Development Programmes (SL 5-14)	National School of Government
Managing Performance in the Public Service (SL 6-16) eLearning	National School of Government
Mentoring for Public Service Managers	National School of Government
Occupational Health and Safety	Vumilia Africa
Risk Management (SL 2-14)	National School of Government
Re-Orientation in the Public Service Programme (SL 2-16)	National School of Government
Supply Chain Management for Public Service (SL 6-14)	National School of Government
SCM: BID Committees	National School of Government



2. OVERVIEW OF DEPARTMENTAL PERFORMANCE CONTINUED

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

- Key policy developments: There were no new key policy developments affecting operations of the Provincial Treasury for the period under review.
- Legislative changes: There were no new legislative changes for the period under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Guided by the developmental agenda, the Provincial Treasury aligned with the 7th Administration Priority 3, focused on Building a capable, ethical, and developmental state. This alignment is based on the Medium-Term Strategic Framework 2024–2029, including guidance from the State of the Nation Address (SONA), the State of the Province (SOPA), and Makgotla resolutions.

4. PROVINCIAL PROGRAMME OF ACTION: PROVINCIAL TREASURY PRIORITIES

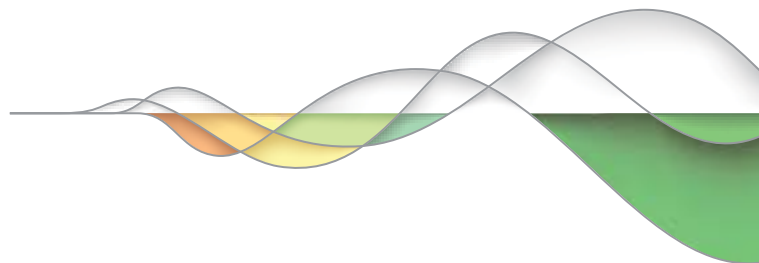
PPOA Priority	Progress report
PFMA Audit Outcomes (2024/25)	The Province recorded 4 clean audits, namely the Mpumalanga Provincial Treasury, Co-Operative Governance and Traditional Affairs, the Office of the Premier, and the Mpumalanga Economic Regulator, demonstrating strengthened internal controls, sound financial governance, and improved compliance management in selected institutions.

4. PROVINCIAL PROGRAMME OF ACTION: PROVINCIAL TREASURY PRIORITIES CONTINUED

PPOA Priority	Progress report
	<p>4 Departments and 2 Public Entities achieved unqualified audit opinions with findings, namely, Department of Economic Development and Tourism, Department of Human Settlements, Department of Public Works, Roads and Transport, Department of Health, Mpumalanga Tourism and Parks Agency, and Mpumalanga Economic Growth Agency. While these outcomes confirm that financial statements were fairly presented, the persistence of audit findings points to ongoing weaknesses in compliance management, consequence management, recordkeeping, and performance information controls. Therefore, implementation and monitoring of the Provincial Audit Action Plan remain critical in driving these institutions toward sustainable, clean administration.</p> <p>5 Departments and 1 Public Entity received qualified audit opinions: Mpumalanga Regional Training Trust; Department of Community Safety Security and Liaison; Department of Agriculture, Rural Development Land, and Environmental Affairs; Department of Culture, Sports, and Recreation; Department of Education, and Department of Social Development. These outcomes indicate material deficiencies in financial management, asset management, reporting systems, and governance controls, requiring intensified intervention and closer monitoring of the implementation of the Provincial Audit Action Plan.</p> <p>This provides important context for assessing progress on the Provincial Audit Action Plan.</p>
MFMA Audit Outcomes (2024/25)	<p>Clean Audits: 1 Municipality - Ehlanzeni District; retaining the 2023/24 status</p> <p>Unqualified with Findings: 11 Municipalities: Nkangala District (which has regressed from a clean audit 2023/24 status), Bushbuckridge, Nkomazi, Dr Pixley Ka Isaka Seme, Gert Sibande District, Emalahleni, Thembisile Hani, Chief Albert Luthuli, Dipaleseng, Govan Mbeki, and Thaba Chweu.</p> <p>Qualified Audits: 7 Municipalities: Mkhondo (which regressed from Unqualified with findings to qualified with findings), Lekwa, Msukaligwa, Emakhazeni, Dr JS Moroka, Steve Tshwete, Victor Khanye)</p> <p>Positive Note: No disclaimers or adverse findings are reported.</p> <p>Challenge: Most municipalities still face audit findings, indicating persistent internal control weaknesses.</p>
Government Debt (Monies owed by Departments and Public Entities to Municipalities)	<p>The Government debt owed to municipalities amounts to R2.8 billion as of 31 March 2026, an increase of R826 million from the reported debt as of 31 March 2025.</p> <p>The highest contributors to the debt owed by Provincial Departments are DPWRT at R1.1 billion, followed by the Department of Education: Schools at R136 million and the Department of Health: Hospitals at R34 million.</p>

4. PROVINCIAL PROGRAMME OF ACTION: PROVINCIAL TREASURY PRIORITIES CONTINUED

PPOA Priority	Progress report
	<p>The highest contributors to the debt owed by National Departments are the National Department of Rural Development at R450 million, followed by the National Public Works at R124 million and the SAPS Hospitals at R7.4 million.</p> <p>The highest contributors to the debt owed by Other Organs of State are SANParks at R56.3 million, followed by Universities/ Colleges at R39 million and Transnet at R27 million.</p> <p>The total payment received by municipalities amounts to R53 million as at 31 March 2026, as follows:</p> <ul style="list-style-type: none"> • Provincial Departments: R20 million • National Departments: R28 million, and • Other organs of State: R4 million.
Honouring repayment of ESKOM debts by Municipalities	<p>Movement of debt between 30 September 2024 and March 2026 increased by R8 499 986 115 (R8,5 billion) from R24 175 317 737 to R 32 675 303 852.</p> <p>Emalahleni has the highest increase of R2.79 billion, followed by Govan Mbeki at R1.59 billion. The two municipalities account for nearly half of the total increase, showing localised but severe risk.</p> <p>Municipalities do not pay their current Eskom accounts, and the revenue collected from electricity.</p> <p>Municipalities must enter into Distribution Agency Agreements with Eskom whilst they continue to be on the debt relief programme.</p> <p>Some municipalities do not submit their monthly self-assessments with the POE within 10 working days.</p> <p>Municipalities are not uploading self-assessments with the narrative Section 71 reports monthly.</p> <p>Some municipalities do not upload the required monthly debt relief documents on GoMuni, nor do they email them to the Provincial Treasury.</p>
30% procurement spend on designated groups	<p>Provincial spending for the period under review amounted to R 15 billion, of which 36.86% was spent on designated groups, which is 6.86% above the 30% target.</p> <p>The breakdown of spending is as follows:</p> <ul style="list-style-type: none"> • R3 Billion plus (R 3 178 983 288) spent on women, • R2 Billion plus (R 2 306 805 696) spent on youth • R54 million plus (R 54 370 052) spent on Persons with Disability • Almost R8 Million (R 7 932 634) was spent on military veterans.



5. PROVINCIAL OWN REVENUE COLLECTION

The Provincial revenue collection is critical to augmenting the budget for service delivery programmes. While the Provincial Revenue stream accounts for less than 4% of total budget sources in 2025/26, it remains an important area of fiscal policy. It provides the provincial government with an excellent discretionary element that enables a speedy response to province-specific service delivery.

Provincial Departments collected R4 758 573 000 by the end of March 2026, against the 2025/26 annual target of R3 619 634 000. This reflects sustained performance improvement compared to the same period in previous financial years.

Provincial own receipts are projected to increase from R3 619 634 000 in 2025/26 to R3 864 117 000 in 2026/27 as the province continues to strengthen and implement best practices in revenue management. Revenue collection across the Departments and Public Entities will continue to be closely monitored, with the necessary support provided to further expand the provincial revenue base.

The main sources of revenue are tax receipts, which include, among others, horse racing taxes and motor vehicle licensing fees. As of the end of March 2026, horse racing taxes generated R1 833 542 000, while motor vehicle licensing contributed R1 593 555 000. In total, tax receipts amounted to R3 511 704 000. Interest earned contributed a further R796 million.

The Province has assumed licensing functions from some municipalities to enhance its own revenue collection and retention capabilities. The Province plans to take over the licensing function from the three remaining Local Municipalities, namely Bushbuckridge, Dipaleseng, and Dr JS Moroka in the 2026/27 financial year.

6. PROVINCIAL INFRASTRUCTURE

The importance of infrastructure to the economy has been highlighted by various national and provincial leaders. The Provincial Treasury assisted the Provincial departments in planning and executing infrastructure programmes during the period under review. This support has been extended to municipalities through the National Treasury's capacity development programmes. The planned support for the infrastructure Departments was achieved. During the year under review, the national Infrastructure Reporting Module (IRM) was reviewed and upgraded. This upgrade affected the accessibility and quality of data; these issues were surmounted, and the future should be better reporting.

7. PERFORMANCE MANAGEMENT

During the reporting period, all planned output indicators were achieved, with several notable overachievements in key performance areas:

Programme/ Sub-programme	Key Deliverables
Programme 1:	
Member of the Executive Council: MEC	Effective budgetary controls and expenditure monitoring have resulted in optimal resource allocation and utilisation.
Financial Management: Office of the Chief Financial Officer	Ensuring sound financial management, accountability, and transparency.
Programme 2:	
Provincial Administration Fiscal Discipline	Enhanced financial management practices have led to improved provincial own revenue collection
Budget and Expenditure Management	Effective budgetary controls and expenditure monitoring have resulted in optimal resource allocation and utilization.
Programme 3:	
Information Technology	Advancements in technology have streamlined operations, increased efficiency, and enhanced service delivery.
Programme 4:	
Norms and Standards	Strengthened information management internal controls have ensured availability of auditable supporting documents.
Provincial Risk Management	Proactive risk management strategies have been implemented, minimizing potential threats to the province's fiscal and operational stability.
Provincial Internal Audit	Strengthened internal audit processes have ensured transparency, compliance, and accountability in financial management.

There were no under-achievements during this period (2025/2026 financial year).

8. PARTNERSHIP

For the period under review, the Provincial Treasury partnered with the Standard Bank of South Africa (SBSA) for the MEC's Post-Schools Reopening Support Programme held on 17 March 2026, during which the Bank donated various school items to 100 underprivileged learners.

9. MEC OUTREACH

MEC undertook the Post Schools Reopening Support programme (outreach) on 17 March 2026 in Nokaneng, Dr JS Moroka Local Municipality. The purpose of the programme was to provide the school necessities identified and requested by the school community during the schools' opening for the 2026 academic year.

10. BUSINESS PROCESS AUTOMATION

During the reporting period, the Provincial Treasury facilitated the migration of the Provincial Administration from Groupwise to Microsoft Outlook for official communication purposes. Furthermore, the Department continued to implement e-submission and piloted the new e-recruitment system within the Provincial Treasury, the Office of the Premier, and later the Department of Public Works, Roads and Transport.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

11.1 PROGRAMME 1: ADMINISTRATION

The Programme is responsible for political, financial and administrative management of the Provincial Treasury. The Programme provides effective and efficient administrative support to all line functions in the Provincial Treasury.

The Programme consists of the following Sub-Programmes:

- a) Office of the Member of the Executive Council: MEC
- b) Management Services: Office of the Head: Provincial Treasury
- c) Financial Management: Office of the CFO
- d) Internal Audit

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 1 is responsible for political, financial, administrative management and support. The programme provides prompt, continuous, effective and efficient administrative support to all line functions in the Provincial Treasury.

Financial Management

In keeping with the spirit of supporting Small, Medium, and Micro Enterprises during the period under review, the Provincial Treasury paid all valid invoices within the set 30-day timeline.

Performance Management

During the reporting period, Provincial Treasury achieved 100% of all planned output indicators.

Governance

The Risk and Ethics Management Committee, as well as the Audit Committee, are in place; these committees convene on a quarterly basis.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Table 4.1.1

Programme 1 : Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Member of the Executive Council: MEC								
Improved financial performance and governance in PFMA and MFMA institutions	Appropriation Bills	Number of Appropriation Bills tabled	N/A	N/A	2	4	2	Due to revision of the national budget by the National Treasury to address economic shift and parliamentary requirement that led to the re- tabling of the budget
	Policy and budget speech	Number of Policy and Budget speeches tabled	N/A	N/A	1	1	N/A	N/A
Management Services: Office of the Head Provincial Treasury								
Improved financial performance and governance in PFMA and MFMA institutions	Unqualified audit opinion with no findings	Number of Annual Reports tabled	1	1	1	1	N/A	N/A
	Approved Risk Register	Number of Risk Registers approved	1	1	1	1	N/A	N/A

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Programme 1 : Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Financial Management Office of the Chief Financial Officer								
Improved financial performance and governance in PFMA and MFMA institutions	Departmental budget	Number of Departmental budget implemented	New Indicator	2	2	3	1	Due to Second adjustment done to balance per economic classification.
	Suppliers paid within 30 days after receipt of valid invoices	Percentage of suppliers paid within 30 days after receipt of valid invoices	100%	100%	100%	100%	N/A	N/A
Internal Audit								
Improved financial performance and governance in PFMA and MFMA institutions	Approved Internal Audit Plan	Number of Internal Audit Plans approved	1	1	1	1	N/A	N/A

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Linking performance with budgets

- The Programme has spent R166 363 000 which is 97.5 percent of its total budget.

Sub-programme expenditure

Sub- Programme Name	2024/2025			2025/2026		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Member of the Executive Council	6 613	6 593	20	14 131	14 128	3
Management Services	62 510	61 979	531	63 753	63 460	293
Financial Management	70 260	69 366	894	86 440	82 640	3 800
Internal Audit	6 070	5 839	231	6 271	6 135	136
Total	145 453	143 777	1 676	170 595	166 363	4 232

Strategy to overcome areas of under performance

All planned targets were achieved for the period under review..

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

- Not Applicable for the Programme

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

11.2 PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

The Programme exists to promote optimal and effective provincial and municipal fiscal policy in line with applicable financial management prescripts.

The Programme consists of the following Sub-Programmes:

- a) Provincial Administration Fiscal Discipline
- b) Budget and Expenditure Management
- c) Municipal Finance
- d) Infrastructure Co-ordination

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions

Outcomes, outputs, output indicators, targets, and actual achievements

Budget and Expenditure Management

The Provincial fiscus improved in the 2025/26 financial year due to a review of the equitable share formula that reflected population growth, as well as special allocations for the Education and Health sectors. The Province received funding to sustain the previous year's wage agreement for compensation of employees. To a lesser extent, the Department of Community Safety, Security and Liaison was allocated additional compensation to absorb Traffic Officers from the Traffic Training College. The sub-programme encountered challenges with tabling the main appropriation to the Provincial Legislature, which filtered through the National Government. The main appropriation was eventually tabled in June 2026 rather than March 2026. Additional funds were allocated for the Presidential Employment Initiative. Overall, the province maintained its strong performance in expenditure outcomes, at 98.2%, down from 99.2% in the previous financial year. The sub-programme tabled a second adjustment in March because the Department of Education (R12 000 000), Health (R8 000 000), and Public Works, Roads and Transport (R29 000 000) received an additional R49 million in funds. Reporting by Public Entities has greatly improved, and they now adhere to the requirements of the prescripts.

Provincial Administration Fiscal Discipline

The sub-programme provided support to 11 votes in respect of Own Revenue collection. The sub-programme achieved all its deliverables as planned. R4 758 573 000 was collected against a budget of R3 619 634 000. The Province over collected by R1 138 939 000. The Department of Community Safety, Security and Liaison will remain a priority for the Provincial Treasury, as it is now the second-largest collector of its own revenue compared to the previous financial year, when it was the first. This is more so as more municipal collection services revert to the province. Special attention will be given to the Mpumalanga Economic Regulator, as the largest collector in the province, due to gambling and betting. The programme produced Annual Financial Statements for the Revenue fund and received an unqualified audit outcome, the same as the previous financial years.

Infrastructure Coordination

The sub-programme has made positive progress in coordinating infrastructure delivery across the Province. Despite

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

the challenges, the sub-programme achieved all its planned targets. The unit provides support to six infrastructure departments. Since the addition of the Department of Cooperative Governance, Human Settlements, and Traditional Affairs as an Infrastructure Department, the unit has faced challenges, because the Department was not ready to report as an infrastructure Department. Since the 2025 merger, the unit has moved from 7 infrastructure departments to 6 again. The volume of work has not decreased. There is still a challenge with some departments not fully on board with IRM reporting, and not all departments have been able to handle the transition to reporting to the National Treasury using the system. The sub-programme is also expected to help municipalities in the PINK programme with infrastructure issues. Training was provided to all seven departments on IDMS delivery and other related matters.

Municipal Finance

The sub-programme continues to build the capacity of both the Administration and Political leadership through the Municipal Public Accounts Committee (MPAC) and Disciplinary Boards (DC). MFIP advisors continue to support all municipalities in improving capacity in the areas of Budgeting, Revenue management, SCM, asset management, Accounting and Audit support, as well as MSCOA. Nine municipalities have resident advisors for the above support. (Lekwa, Dipaleseng, Govan Mbeki, Msukaligwa, Victor Khanye, Emalahleni, Emakhazeni, Thaba Chweu, and Nkomazi).

The sub-programme continued to assist municipalities in improving their budgets through ongoing assessments and feedback with recommendations. The sub-programme specifically supported 6 municipalities, including Emakhazeni, Emalahleni, Msukaligwa, Dipaleseng, and Govan Mbeki, in developing and monitoring the implementation of budget funding plans.

All Municipalities are further targeted for support to improve their audit outcomes, audit findings, and overall strengthening of internal controls through:

- Building capacity in the preparation and review of Annual Financial Statements (AFS) for the Financial Managers and Internal Auditors.
- Building capacity on the implementation of procurement policies and regulations to SCM Committees and practitioners.
- Monitoring the audit action plans and following up on areas where there is slow or no progress.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Table 4.2.1

Programme 2 : Sustainable Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Provincial Administration Fiscal Discipline								
Improved financial performance and governance in PFMA and MFMA institutions	Provincial own revenue	Percentage of projected own revenue collection in the Province	126%	124%	100%	131%	31%	Overcollection was mainly on horse racing taxes, motor vehicle licensing taxes and interest on bank balances
	Unqualified audit opinion on revenue fund financial statements	Number of unqualified audit opinion on revenue fund financial statements	1	1	1	1	N/A	N/A
Budget and Expenditure Management								
Improved financial performance and governance in PFMA and MFMA institutions	Estimates of Provincial Revenue Expenditure (EPRE) documents	Number of Estimates of Provincial Revenue Expenditure documents Prepared	2	3	2	4	2	Due to the revision of the national budget by the National Treasury to address economic shift and parliamentary requirements that led to the re- tabling of the budget

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Programme 2 : Sustainable Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved financial performance and governance in PFMA and MFMA institutions continued	Appropriation Bills	Number of Appropriation Bills Prepared	2	3	2	4	2	Due to the revision of the national budget by the National Treasury to address economic shift and parliamentary requirements that led to the re- tabling of the budget
	Consolidated IYM reports for PFMA Institutions	Number of consolidated in-year monitoring reports issued	New Indicator	New Indicator	21	21	N/A	N/A
Municipal Finance								
Improved financial performance and governance in PFMA and MFMA institutions	Municipalities draft budgets analysed	Number of municipalities draft budget analysed	19	19	19	19	N/A	N/A
	Municipalities Mid-year budgets performance analysed	Number of municipalities Mid-year Budget performance analysed	19	19	19	19	N/A	N/A

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Programme 2 : Sustainable Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Infrastructure Coordination								
Improved financial performance and governance in PFMA and MFMA institutions	Infrastructure Reporting Model Analysed	Number of Infrastructure Reporting Model Analysed	12	4	4	4	N/A	N/A
	User Assets Management Plans(UAMPS) Analysed	Number of User Assets Management Plans Analysed	6	6	6	6	N/A	N/A

Linking performance with budgets

- The Programme has spent R79 864 000, which is 99.7 per cent of its total budget.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Sub-programme expenditure

Sub- Programme Name	2024/2025			2025/2026		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 351	2 328	23	2 872	2 822	50
Provincial Administration Fiscal Discipline	14 124	14 035	89	15 447	15 381	66
Budget and Expenditure Management	16 076	15 846	230	17 140	17 125	15
Municipal Finance	32 185	32 045	140	37 085	37 083	2
Infrastructure Co-Ordination	7 448	7 393	55	7 520	7 452	68
Total	72 184	71 647	537	80 064	79 863	201

Strategy to overcome areas of under performance

All planned targets were achieved during the period under review.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

- Not Applicable for the Programme

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

11.3 PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT

The Programme is responsible for monitoring and supporting Departments, Public Entities and Municipalities on Assets, Liabilities, Supply Chain Management, as well as the provisioning of Transversal Systems and Information Technology Services in Mpumalanga Province.

The programme consists of the following sub-programmes:

- a) Provincial Supply Chain Management
- b) Public Sector Liabilities
- c) Physical Assets Management
- d) Interlinked Financial Systems
- e) Information Technology

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions

Outcomes, outputs, output indicators, targets and actual achievements

The Programme achieved all its targets for the year under review across all subprogrammes, being Provincial Supply Chain Management, Public Sector Liabilities, Physical Asset Management, Interlinked Financial Systems, and Information Technology.

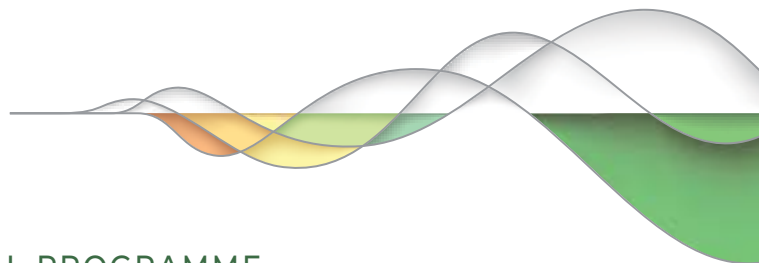
Provincial Supply Chain Management

This sub-programme monitored compliance with procurement plan implementation, payment of service providers within 30 days, and contract management across all PFMA and MFMA institutions. Feedback letters were issued to all institutions, recommending remedial actions to be implemented by the institutions.

The 30-day payment reports from Government Institutions were received, evaluated, and follow-up feedback with corrective actions was provided for execution. Most Institutions still face challenges in making payments to service providers within the 30-day period. The primary reason for this non-compliance is cash flow management issues. Additionally, the sub-program tracked adherence to contract management practices. Feedback on this aspect was given to the monitored Institutions along with recommended remedial actions. Community Supplier Development Workshops were conducted to raise awareness of the 30-Day Payment Call Centre, assist Suppliers with CSD compliance, register on the Invoice Portal, and address other SCM Compliance Issues.

Public Sector Liabilities

This sub-programme is responsible for monitoring and advising both PFMA and MFMA institutions on the management of public liabilities. During the reporting period the sub-programme monitored all 11 Votes, 10 Municipalities and 4 Public Entities. The liability status of these institutions was assessed, and feedback reports with remedial actions were issued for implementation by the monitored Institutions.



11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Physical Assets Management

During the reporting period, the sub-programme achieved 100% of its planned outputs. Support on compliance with the Asset Management Framework was provided to 5 Votes, 2 Public Entities, and 11 Municipalities. Feedback reports containing recommendations for improvement were issued to all supported institutions for implementation.

Interlinked Financial Systems

The sub-programme is responsible for monitoring and providing business support to 11 Votes on transversal systems (LOGIS, BAS, PERSAL, Vulindlela, eLeave, and Invoice Tracking) and automating the business processes in the Provincial Administration through Business Process Automation. The sub-programme achieved 100% on all planned outputs for the period under review and further supported and monitored the implementation and utilisation of Business Process Automation systems, namely E-submission, and is piloting the E-Recruitment with Mpumalanga Provincial Treasury, Office of the Premier and Department of Public Works, Roads and Transport.

Information Technology

The sub-programme is responsible for providing information technology governance support to 5 Votes and 7 Municipalities. In this regard, the sub-programme successfully supported all these Institutions during the reporting period. The sub-programme over-achieved on network availability by 12.24%. This was due to the consistent power availability that resulted to a better network performance across Departments. The sub-programme also facilitated the migration of the Provincial Administration from Groupwise to Microsoft Outlook for official communication purposes.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Table 4.3.1

Programme 3 : Assets and Liabilities Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Provincial Supply Chain Management								
Improved financial performance and governance in PFMA and MFMA institutions	Feedback issued for compliance on procurement plans	Percentage of institutions issued with feedback for compliance on Procurement plans	100%	100%	100%	100%	N/A	N/A
	Feedback issued on 30 day payment	Percentage of institutions monitored on 30 days payment to contracted service providers	100%	100%	100%	100%	N/A	N/A
	Feedback issued on compliance of contract management practices	Percentage of institutions monitored on contract management	100%	100%	100%	100%	N/A	N/A

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Programme 3 : Assets and Liabilities Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Public Sector Liabilities Management								
Improved financial performance and governance in PFMA and MFMA institutions	Feedback issued for compliance on liabilities management prescripts	Number of PFMA and MFMA institutions issued with feedback for compliance on liabilities management prescripts	12 Votes, 10 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities	11 Votes, 10 Municipalities and 4 Public Entities	11 Votes, 10 Municipalities and 4 Public Entities	N/A	N/A
Physical Assets Management								
Improved financial performance and governance in PFMA and MFMA institutions	Feedback issued for compliance to assets management framework	Number of PFMA and MFMA institutions issued with feedback for compliance to assets management framework	6 Votes, 8 Municipalities and 2 Public Entities	6 Votes, 8 Municipalities and 2 Public Entities	5 Votes, 11 Municipalities and 2 Public Entities	5 Votes, 11 Municipalities and 2 Public Entities	N/A	N/A
Interlinked Financial Systems								
Improved financial performance and governance in PFMA and MFMA institutions	Votes supported on utilisation of transversal systems	Number of Votes supported on utilisation of transversal systems	12	12	11	11	N/A	N/A

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Programme 3 : Assets and Liabilities Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Information Technology								
Improved financial performance and governance in PFMA and MFMA institutions	Institutions provided with IT Governance Support	Number of PFMA and MFMA institutions provided with IT Governance Support	7 Votes and 8 Municipalities	6 Votes and 7 Municipalities	5 Votes and 7 Municipalities	5 Votes and 7 Municipalities	N/A	N/A
	Network Availability	Percentage of Network Availability	89.36%	97.26%	85%	97.24 %	12.24%	The consistent power supply allowed for smoother operations and better overall network performance, as there were no power outages during the first quarter

Linking performance with budgets

- The Programme has spent R317 697 000, which is 87.1 % of its allocated budget.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Sub-programme expenditure

Sub- Programme Name	2024/2025			2025/2026		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 115	2 085	30	2 473	2 472	1
Provincial Supply Chain Management	25 799	25 677	122	27 814	27 813	1
Public Sector Liabilities	5 541	5 507	34	5 961	5 959	2
Physical Assets Management	7 480	7 418	62	8 392	8 391	1
Interlinked Financial Systems	109 670	88 873	20 797	118 580	109 469	9 111
Information Technology	189 183	176 026	13 157	201 484	198 436	3 048
Total	339 788	305 586	34 202	364 704	352 540	12 164

Strategy to overcome areas of under performance

All planned targets were achieved for the period under review

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

- Not Applicable for the Programme

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

11.4 PROGRAMME 4: FINANCIAL GOVERNANCE

This Programme facilitates, monitors, supports, and provides professional advice to ensure good governance in the Province.

The Programme consists of the following Sub-programmes:

- a) Accounting Services
- b) Norms and Standards
- c) Provincial Risk Management
- d) Provincial Internal Audit

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions.

Outcomes, outputs, output indicators, targets and actual achievements

The Units in the Programme achieved all their planned targets during the year, and in some cases, there were overachievements due to an increase in the number of invitations received from stakeholders and challenges experienced by stakeholders during the previous financial year.

The overachievement by the Norms and Standards Unit is due to a follow-up review on information management prescripts to determine whether previous recommendations had been implemented to strengthen internal controls.

The overachievements within the Risk Management Unit were due to the high number of requests received from stakeholders for assistance with risk assessments, orientation for Risk Committee members, and invitations to attend Risk Management Committees. Follow-up was also conducted on previously assessed Risk Maturity levels in Institutions to assist these Institutions in moving to the next maturity level.

The Provincial Internal Audit Unit overachieved in the evaluation of Audit Committees due to a high volume of requests for attendance and evaluation of such meetings. The fact that most meetings are held virtually also contributed to the overachievements.

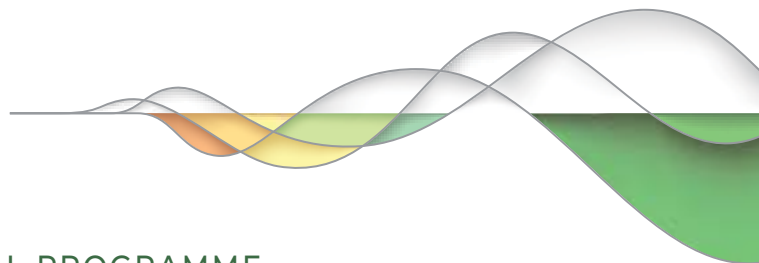
Accounting Services

Provincial Treasury supported Departments, Public entities and Municipalities on the preparation of accurate financial statements through reviewing Interim and Annual Financial Statements. The support also included the implementation and interpretation of MCS and GRAP accounting standards.

Norms and Standards

Provincial Treasury supported Departments, public entities, and municipalities to implement remedial audit action plans to improve the province's overall annual outcomes during the period under review.

The Provincial Treasury works with all institutions to ensure the adequacy of internal controls so that the limited resources result in a demonstrable change in the quality of life of the people of Mpumalanga.



11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Provincial Risk Management

The PRM Unit provided hands-on support to institutions regarding Enterprise Risk Management to improve risk maturity Levels in the Province.

The overachievements under the Provincial Risk Management Unit were due to the high number of requests received from stakeholders for assistance with risk assessments, orientation of Risk Committee members and invitations to attend Risk Management Committee meetings.

Provincial Internal Audit

The Unit supported Provincial Departments, Public entities, and Municipalities by evaluating internal audit plans and Audit Committees, and by providing recommendations for improvement.

The Provincial Internal Audit Unit recorded overachievement in the evaluation of Audit Committees due to a high number of requests for attendance and evaluation of such meetings..

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Table 4.4.1

Programme 4 : Financial Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Accounting Services								
Improved financial performance and governance in PFMA and MFMA institutions	Public institutions' Financial Statements complying with legislation and prescripts	Number of public institutions issued with feedback on financial statements analysed	12 Votes 2 Public Entities 8 Municipalities	12 Votes 1 Public Entity 8 Municipalities	11 Votes 1 Public Entity 10 Municipalities	11 Votes 1 Public Entity 10 Municipalities	N/A	N/A
Norms and Standards								
Improved financial performance and governance in PFMA and MFMA institutions	Public institutions complying with legislation and prescripts	Number of public institutions issued with feedback on compliance to fleet management prescripts	3 Votes	3 Votes	3 Votes	3 Votes	N/A	N/A
		Number of public institutions issued with feedback on compliance to information management prescripts	6 Municipalities	6 Municipalities	6 Municipalities	7 Municipalities	1 Municipalities	A follow-up assessment was conducted on a previously assessed municipality.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Programme 4 : Financial Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Provincial Risk Management								
Improved financial performance and governance in PFMA and MFMA institutions	Enterprise Risk Management Framework (ERMF) issued	Number of Enterprise Risk Management (ERMF) issued to standardise Risk Management Processes in public institutions	1 ERMF	N/A	N/A	N/A	N/A	N/A
	Risk management processes evaluated	Number of evaluations performed on effectiveness of Risk Management processes	37	32	30	36	6	More invitations received to attend and evaluate the effective functioning of Risk Management Committees
	Assessed Risk Maturity Level	Number of public institutions Risk Maturity Level assessed	3 Votes 1 Public Entity 3 Municipalities	3 Votes 1 Public Entity 3 Municipalities	2 Votes 1 Public Entity 3 Municipalities	2 Votes 1 Public Entity 4 Municipalities	1 Municipality	A follow-up was conducted on the previously assessed Institution to track progress in implementing recommendations to improve the maturity level.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Programme 4 : Financial Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Provincial Internal Audit								
Improved financial performance and governance in PFMA and MFMA institutions	Internal audit plans analysed	Percentage of Internal audit plans for public institutions analysed	100%	100%	100%	100%	N/A	N/A
	Audit Committees evaluated	Number of evaluations performed on effectiveness of Audit Committees of public institutions	68	55	38	58	20	Due to most Audit Committee meetings being held virtually, the Unit has managed to attend more meetings.

Linking performance with budgets

- The Programme has spent R32 077 000, which is 99.8 per cent of its total budget.

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION CONTINUED

Sub-programme expenditure

Sub- Programme Name	2024/2025			2025/2026		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 366	2 361	5	2 700	2 694	6
Accounting Services	8 596	8 547	49	6 631	6 589	42
Norms and Standards	11 421	11 362	59	14 290	14 289	1
Provincial Risk Management	4 000	3 950	50	4 197	4 195	2
Provincial Internal Audit	2 570	2 511	59	4 313	4 311	2
Total	28 953	28 731	222	32 131	32 078	53

Strategy to overcome areas of under performance

All planned targets were achieved for the period under review

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

- Not Applicable for the Programme

12. TRANSFER PAYMENTS

12.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

There were no transfers made to public entities in the financial year under review.

12.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2025 to 31 March 2026

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Steve Tshwete	Local Municipality	Smart meters	Yes	4 921	0	RT 29-2026 (Transversal Tender) with National Treasury procurement in progress.
Dr JS Moroka	Local Municipality	Data Cleansing	Yes	3 084	3 056	Project complete
Emakhazeni	Local Municipality	Data Cleansing	Yes	2 951	0	Procurement processes slowed the project down
Bushbuckridge	Local Municipality	Government Debt Review	Yes	849	0	Funds were transferred during the 4th quarter
Total				11 805	3 056	

13. CONDITIONAL GRANTS

The Provincial Treasury did not receive any conditional grant for the financial year under review.

14. DONOR FUNDS

The Provincial Treasury did not receive any donor funds for the financial year under review.

15. CAPITAL INVESTMENT

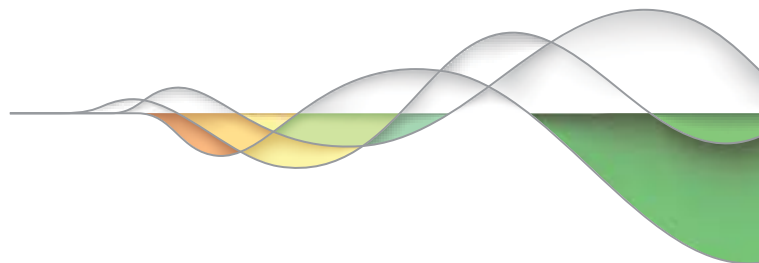
15.1 CAPITAL INVESTMENT MAINTENANCE AND ASSET MANAGEMENT PLAN

	2024/2025			2025/2026		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement Assets	34 489	34 172	317	36 954	30 137	6 817
Total	34 489	34 172	317	36 954	30 137	6 817

PART C



GOVERNANCE



1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2. RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT (ERM) POLICY AND STRATEGY

The Accounting Officer (AO) is ultimately accountable for the implementation and effectiveness of Enterprise Risk Management (ERM) within the Provincial Treasury, in alignment with the National and Provincial Treasury Public Sector Risk Management Framework. The Department has an approved ERM Policy, supported by a comprehensive Risk Management Strategy and Implementation Plan, which collectively provide a structured and integrated approach to embedding risk management across all programmes. These enable continuous monitoring and evaluation of risk management performance throughout the financial year.

RISK ASSESSMENT AND EMERGING RISKS

The Provincial Treasury proactively identified and assessed key strategic and operational risks that could potentially impact the achievement of its objectives. Annual risk assessments were conducted in compliance with Treasury Regulation 3.2.1, ensuring that risk management processes direct Internal Audit efforts and support the prioritisation of resources.

The Department has continued to enhance its risk maturity through improved integration of risk management with planning and performance processes. Continuous environmental scanning, monitoring of internal and external audit findings, and regular stakeholder engagements have enabled the early identification of emerging risks and potential threats.

RISK AND ETHICS COMMITTEE ON RISK GOVERNANCE

The oversight of risk management is provided by the Risk and Ethics Management Committee (REMC), appointed by the Accounting Officer and chaired by an independent external member. The Committee comprises members of senior management and meets quarterly in accordance with its approved Terms of Reference. The REMC is responsible for overseeing the implementation and effectiveness of ERM processes, including reviewing key strategic, operational, and emerging risks, as well as the adequacy of mitigation strategies.

Programme Managers and Heads of Sections are required to report quarterly on progress made in implementing approved risk mitigation action plans. This structured reporting process has strengthened accountability and enabled the Department to monitor and enforce the effective management of risks. The REMC's consistent oversight has contributed significantly to improved risk governance, ensuring that risks are managed in a coordinated, timely, and systematic manner.

2. RISK MANAGEMENT CONTINUED

AUDIT COMMITTEE ASSURANCE AND OVERSIGHT ROLE ON RISK MANAGEMENT

The Audit Committee provides independent oversight and assurance on the effectiveness of the Department's risk management processes. Risk management remains a standing agenda item at quarterly Audit Committee meetings, where the Committee reviews reports on key risks, evaluates the adequacy and effectiveness of mitigation measures, and monitors progress on the implementation of action plans. This ongoing oversight enables the Committee to provide informed guidance and assurance to the Accounting Officer and senior management, ensuring that risk management practices remain robust, responsive, and aligned to the Department's strategic objectives.

EFFECTIVENESS OF RISK MANAGEMENT ON PERFORMANCE

The Department has made progress in strengthening its risk management practices through enhanced oversight, improved reporting mechanisms, and the consistent implementation of mitigation strategies. Risk considerations are now fully embedded in planning, budgeting, and strategic decision-making processes, supported by a strong focus on proactive risk identification, disciplined execution of mitigation actions, and continuous monitoring.

The Mpumalanga Provincial Treasury effectively managed its risk profile, with the majority of identified risks mitigated to an acceptable Level. This demonstrates the strength of internal controls, the maturity of risk response strategies, and the successful institutionalisation of risk management practices, ultimately reinforcing the Department's commitment to safeguarding public resources and maintaining operational stability and integrity.

A comprehensive set of targeted interventions, as outlined in the Annual Performance Plan (APP) and Operational Plan, has been implemented to support stakeholders in managing identified risks. These interventions include strategic, operational, and capacity-building aimed at strengthening risk management practices across the sector.

Notwithstanding these achievements, certain risks remain dependent on the actions of external stakeholders, including Departments, municipalities, and public entities. The Department's limited authority over these stakeholders' governance processes presents challenges in ensuring the consistent implementation of recommended mitigation measures. To address this, the Provincial Treasury continues to engage stakeholders through structured support and oversight initiatives to promote improved risk management practices and institutional performance.

COMBINED ASSURANCE

The implementation of the Combined Assurance Framework has further strengthened the Department's risk management capability. Enhanced coordination among assurance providers has improved the alignment of risk and governance activities, reduced duplication of effort, and enabled more efficient identification and mitigation of risks.

BUSINESS CONTINUITY MANAGEMENT

Significant progress has also been made in Business Continuity Management (BCM), including the development and approval of a revised, risk-aligned Business Continuity Plan. The plan is aligned to the Department's critical business processes and is designed to strengthen organisational resilience and ensure continuity of operations in the event of disruptions. Continuous testing and simulation exercises are conducted to validate the effectiveness and robustness of the response plan in the event of a disaster.

3. FRAUD AND CORRUPTION

Department adopts and enforces a zero-tolerance policy in respect of fraud and corruption and is fully committed to the prevention, detection, investigation, and eradication of all forms of unethical conduct, whether perpetrated internally or externally. Any person or entity who commits, attempts to commit, supports, or is otherwise implicated in any fraudulent or corrupt act shall be subjected to appropriate disciplinary and/or contractual remedies and the matter shall be reported to the relevant law-enforcement authorities and pursued to the fullest extent of applicable legislation.

Fraud and corruption continue to pose a significant risk to the Department's financial resources, service delivery mandate, and institutional credibility. In recognition of these risks, the Department has implemented a comprehensive governance framework comprising a Whistle-blower Policy, Fraud Prevention Plan, and Fraud Prevention Strategy. These instruments are aligned with national priorities and reinforce the principles contained in the National Anti-Corruption Strategy, as well as the Public Service and Local Government Anti-Corruption Strategies.

To strengthen transparency and accountability, the Department has established multiple accessible reporting channels for both employees and members of the public to report suspected incidents of fraud, theft, or corruption. These mechanisms are clearly outlined in the Provincial Anti-Fraud and Corruption Strategy, the Whistle-blower Policy, and the Fraud Prevention Plan, ensuring protection for whistle-blowers and promoting a safe reporting environment.

During the year under review, the Department successfully implemented a comprehensive Anti-Fraud and Corruption Awareness Campaign aimed at promoting ethical conduct and enhancing employees' ability to identify and respond to potential fraud risks. The campaign focused on key areas including:

- Root causes of fraud and corruption
- Fraud risk indicators and early warning signs (red flags)
- Insights from the Africa Corruption Perceptions Index and its implications on governance.
- Available reporting mechanisms and procedures for suspected misconduct.

In addition, the Department actively participated in International Fraud Awareness Week under the theme "Let Fraud Burn," reinforcing its commitment to fostering a culture of integrity and accountability. As part of this initiative, five themed awareness posters were developed and published through internal communication platforms. These materials addressed various aspects of fraud prevention, detection, and reporting, ensuring continuous employee engagement and awareness.

The Department did not record any cases of fraud or corruption during the period under review. While this is a positive indicator of the effectiveness of existing controls and awareness initiatives, the Department remains vigilant and continues to strengthen its fraud risk management processes to proactively identify and mitigate emerging risks

4. MINIMISING CONFLICT OF INTEREST

Minimising conflicts of interest forms part of the Mpumalanga Provincial Treasury's (MPT) Ethics Management Framework and Strategy and is implemented in line with the Public Service Regulations, 2016, as amended. In this regard, the MPT continues to manage conflicts of interest through a range of governance and oversight mechanisms, including Financial Disclosure processes applicable to members of the Public Service, Companies and Intellectual Property Commission (CIPC) checks, Central Supplier Database (CSD) checks, Internal Audit reports, Auditor-General South Africa (AGSA) reports, Other Remunerative Work (ORW) applications, Gift Registers, DPSA reports, as well as tip-offs and whistleblowing mechanisms.

For all officials designated to disclose financial interests, as well as officials applying for ORW approval, mandatory CIPC and CSD checks are conducted during the disclosure or application process. These processes further serve as a preliminary mechanism supporting lifestyle audit processes. Officials who are active members or directors of companies are closely monitored to ensure that such involvement does not result in actual or perceived conflicts of interest.

The MPT also maintains a Gifts Register in which officials are encouraged to declare gifts, donations, and sponsorships received in the course of performing official duties. While officials may receive such items, they may not formally accept or retain them until the relevant conflict-of-interest assessment and clearance processes have been concluded in line with applicable prescripts and internal processes.

5. CODE OF CONDUCT

The Provincial Treasury adheres to the Code of Conduct and promotes high standard of professional ethics. Awareness workshops on Code of Conduct were conducted for all employees including the newly appointed employees and a copy of Code of Conduct was issued to all newly appointed employees. Compliance to the Code of Conduct enhances professionalism and ensures confidence in the Public Service and the promotion of ethical conduct.

There has been breach of the Code of Conduct by employees, corrective measures were implemented in terms of the Public Service Co-ordinating Bargaining Council Resolution 1 of 2003 Disciplinary Code and Procedure (applicable to employees on salary Level 1 to 12).

During the period under review, the Provincial Treasury received and finalized 1 misconduct and 1 grievance cases.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) as amended, imposes the responsibility on the employer to provide and maintain, as far as is reasonably practical, a healthy working environment that is safe and without risk to the health of its employees. The Provincial Treasury monitors the OHS Action Plan on occupational health and safety hazards in all the workstations.

OHS representatives were officially appointed in the various workstations with a responsibility to identify possible occupational hazards/risks that might affect operations and escalate accordingly where necessary for intervention. The OHS Committee meetings inclusive of labour stakeholders were convened quarterly to mitigate identified occupational hazards through regular workplace inspections including Regional and Satellite Offices.

The state-owned office buildings occupied by Provincial Treasury are reliant on DPWRT for maintenance services to mitigate any occupational health and safety hazards. The Provincial Treasury noted an improved progress on maintenance of offices through collaborate with DPWRT which optimally mitigate occupational health and safety hazards, thereby avoiding unnecessary claims, lawsuits and litigations.

7. PORTFOLIO COMMITTEE

MEETING DATES OF THE PORTFOLIO COMMITTEE

Portfolio Committee	Date
1st Quarter Performance Report 2025/26	27 November 2025
2nd Quarter Performance Report 2025/26	12 March 2026
3rd Quarter Performance Report 2025/26	The meeting is planned for the 2026/27 financial year

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury											
House Resolutions on the 1st Quarter Performance Report													
1	The Accounting Officer must put measures in place to prevent the department from material underspending at the end of the financial period.	The Provincial Treasury has the following systems in place to prevent material underspending at the end of the 2025/26 financial year: <ul style="list-style-type: none">• Budget and advisory committee• Monthly senior management meetings• Monthly in-year Monitoring of the expenditure• Submission to external departmental committees, who then analyse and give feedback											
2.	The Accounting Officer must fill all funded vacant positions and develop measures to reduce the turnaround time for filling vacant positions	Out of the twenty-three (23) posts advertised, twenty (20) posts were filled. Three of those posts could not be filled because suitable applicants could not be found.											
3.	Put measures designed to accelerate spending on the municipal intervention budget of R10 000 000.00.	Provincial Treasury has finalised the transfer processes for the municipal intervention budget. Funds were transferred during September 2025 A project plan is in place for each municipality to monitor progress by the municipalities Provincial Treasury participates in the project steering committees.											
4.	Provide a detailed report on how the budgeted R10 000 000.00 for municipal intervention has been spent so far, indicating municipalities that benefit from it and further indicate municipalities planned to be supported through this fund and for which purpose	<table><tr><td colspan="2">The process for identifying municipalities has been completed, SLAs have been signed, and the funds were transferred in September 2025 to municipalities as follows:</td></tr><tr><td>Municipality</td><td>Amount</td></tr><tr><td>Steve Tshwete for the revamp of meters</td><td>R4 920 804</td></tr><tr><td>Emakhazeni for data cleansing</td><td>R2 950 600</td></tr><tr><td>Dr JS Moroka for data cleansing</td><td>R3 083 874</td></tr></table>		The process for identifying municipalities has been completed, SLAs have been signed, and the funds were transferred in September 2025 to municipalities as follows:		Municipality	Amount	Steve Tshwete for the revamp of meters	R4 920 804	Emakhazeni for data cleansing	R2 950 600	Dr JS Moroka for data cleansing	R3 083 874
The process for identifying municipalities has been completed, SLAs have been signed, and the funds were transferred in September 2025 to municipalities as follows:													
Municipality	Amount												
Steve Tshwete for the revamp of meters	R4 920 804												
Emakhazeni for data cleansing	R2 950 600												
Dr JS Moroka for data cleansing	R3 083 874												

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury
5.	The Accounting Officer must develop a system to identify municipalities needing assistance from the municipal intervention budget at least during the 4th Quarter of each year.	<p>The Provincial Treasury monitors municipalities every month through early warning systems. e.g. Section 71 reports and the Online Audit Action Plan System.</p> <p>This assists the Provincial Treasury in our ongoing discussions and communication with all municipalities in identifying challenges. It is through these engagements that municipalities request support. Requests are then prioritised in line with the financial game changers. Unfunded budgets, revenue management, SCM, asset management, audit improvement and MSCOA.</p> <p>Support is normally requested from the Provincial Treasury and discussed during the Municipal Adjustment Budget deliberations.</p> <p>These will depend on:</p> <ul style="list-style-type: none"> • The ability of the municipality to address the challenges. • The municipality's own budget at that time. • Availability of resources from Provincial Treasury.
6.	<p>Provide a progress report on the municipalities supported (indicating the amount spent up to date and progress on the activities the municipality is supported for)</p> <ul style="list-style-type: none"> • Steve Tshwete for the revamp of meters • Emakhazeni for data cleansing • Dr JS Moroka for data cleansing 	<p>Provincial Treasury finalised the transfer process by the end of the second quarter</p> <p>All municipalities have started with the implementation of project plans, and continuous monitoring is being done.</p> <p>Service Level Agreements have been completed with all municipalities (herein attached as "Annexure 2", and SLA signed with Municipalities</p> <p>The Provincial Treasury participates in project steering committees to oversee project implementation.</p> <p>Herein attached as "Annexure 3", a close-out report from Victor Khanye Municipality as an example</p>
7.	The Accounting Officer must ensure that it sustain its own revenue collection systems and share the same with other departments struggling with own revenue collection.	<p>Provincial Treasury benefits from interest on bank balances of the Inter-Governmental Cash Coordination account (IGCC), the exchequer account, interest from investments, and from the sale of tender documents</p> <p>EXCO has approved the provincial own revenue enhancement strategy on 25 August 2025, and continuous support is given to Votes through quarterly revenue fora.</p>

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury
8.	The Accounting Officer must provide the committee with matters of concerns it picked while analyzing the 19 budget for municipalities and indicate how it is assisting the municipalities in overcoming those matters of concern.	<p>The following are matters of concern:</p> <p>Challenges on revenue</p> <ul style="list-style-type: none"> • Town Planning Units need more attention as they are at the beginning of the revenue value chain • Pressure on cash flow to provide services in informal settlements. • Formalisation of informal settlements needs special attention as the need for services increases through water tankers and other. • Improvement over the functionality of LED forums as an important link to economic growth and job creation. • Effect of unemployment rate on municipal budgets and revenue generation efforts • Unstable mining environment adding to movements on indigents status. • Inconsistent application of credit controls <p>Challenges relating to expenditure</p> <ul style="list-style-type: none"> • COE as a major cost driver should be better regulated. • COE "silent killer", allowances (e.g. transport allowances, danger pay) • COE vs Consultants • Nonexistence of Infrastructure plans, maintenance, replacement, upgrading and procurement affects the development of long-term financial planning. <p>Interventions provided by Provincial Treasury:</p> <ul style="list-style-type: none"> • Provide support with the development of budget funding plans, which are designed to identify and improve challenges related to both revenue management and expenditure management. • This includes support to assist municipalities with the review of tariff structures, increasing capacity to bill through the procurement of prepaid/ smart meters. • PT assisting with Valuation roll recons to billing systems. • PT further assists municipalities with the identification of non-priority spending items and the development of strategies to reduce such. (e.g. Consultant reduction strategies, improved control over fleet management) • Provide capacity building for municipal officials, Councillors

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury
9.	The Accounting Officer must provide a detailed report on areas of concern identified through the analysis of the infrastructure reporting model.	A detailed report is attached as "Annexure 1"
10.	Ensure that all IT-related assets are procured in line with the procurement plan and in compliance to relevant legislation	<p>The procurement of all computer equipment is in progress and is carried out in line with the requirements of the relevant prescripts.</p> <p>The procurement of laptop computers and desktop computers is underway.</p> <p>Procurement processes for switches are in progress and will be finalised by the end of the fourth quarter 2025/26.</p>
11.	Provide a report on the IT-related assets procured in the second quarter and their public value in the department.	No IT-related assets were procured during the second quarter of the financial year.
12.	The department and municipalities assisted so far towards achieving clean audits as contained in the strategic document of the department	<p>All departments and municipalities that did not receive clean audits are being assisted through a support plan. More attention is given to the following departments and municipalities that received qualified audit opinions, to help them improve their financial administration.</p> <p>Departments</p> <ul style="list-style-type: none"> • DCSSL • DARDLEA • DCSR • Education • Social Development <p>Municipalities</p> <ul style="list-style-type: none"> • Thaba Chweu • Dr JS Moroka • Emakhazeni • Steve Tshwete • Victor Khanye • Chief Albert Luthuli • Dipaliseng • Govan Mbeki • Lekwa • Msukaligwa

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury	
13.	The areas in which the department or municipalities are supported	Departments and municipalities are assisted in the following key areas of the audit findings:	
		Capital payments Pensionable allowance Receivables Property, plant and equipment Liabilities	Irregular expenditure Supporting documents Payables Supply chain management
14.	Challenges encountered in supporting the departments or municipalities and how the Provincial Treasury is mitigating against those challenges	<p>Municipalities:</p> <ul style="list-style-type: none"> Slow implementation of mitigating strategies to address the identified risks. Lack of performance evaluation of Risk Management Committee members, particularly the independent Chairperson Delay or non-implementation of PT's recommendations by some stakeholders. <p>Departments:</p> <ul style="list-style-type: none"> Departments are not optimally utilising the available systems to take advantage of the BPA benefits Lack of progress on the implementation of the remedial action plans Non-compliance with payments within 30 days Material misstatements on Annual Financial Statements leading to qualifications Incorrect utilisation of conditional grant allocations Non-compliance with supply chain management prescripts Mitigating Strategies <p>Municipalities:</p> <p>Issued a circular on the integration of Risk Management into performance contracts of members of senior management to ensure prioritisation of identified risks.</p> <p>Monitor implementation of mitigating strategies to address identified risks during quarterly Risk Management Committee meetings</p> <p>Lack of performance evaluation of Risk Management Committee members, particularly the independent Chairperson.</p>	

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury
14. continued		<p>Municipalities continued:</p> <p>The Provincial Treasury developed a guideline tool/template on KPA for Risk Committee members to assist with the performance evaluation process.</p> <p>Monitor implementation of PT's recommendations during the Risk Management Committee meetings.</p> <p>Departments:</p> <p>In case of non-compliance, letters are issued to departments and elevated to Executive Authorities</p> <p>Monitor progress on remedial action plans and make use of various platforms such as the CFO forums, PMC, and EXCO to elevate non-compliance and lack of progress</p> <p>Utilisation of systems such as CSD to monitor timeous payments</p> <p>Review of Interim Financial Statements and Annual Financial Statements to reduce material misstatements</p> <p>Monitor grant spending through the In-Year Monitoring and against the grant framework, and provide feedback to the departments</p> <p>Provide training to supply chain management practitioners, bid committees, and loss control committees</p>
15.	Funds used to support the municipality or department and the value derived from spending those funds.	<p>Provincial Treasury utilises operational funds to support departments through capacity building, reviews, and recommendations.</p> <p>Improved financial oversight, enhanced tracking and reporting mechanisms led to a reduction in unauthorized expenditures.</p> <p>Capacity building, provide continuous training to departments on budget guidelines and budgeting tools.</p>
House Resolutions on the 2nd Quarter Performance Report		
1.	Strengthen and deepen the monitoring of its spending on goods and services to remain within the budget.	<p>Provincial Treasury continues to strengthen its monitoring tools to remain within the budget through monthly and quarterly reviews:</p> <ul style="list-style-type: none"> • Procurement plans • In Year Monitoring (IYM) • Audit Committee Meetings • Management Committee meetings

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury
2.	Expedite the adjustment appropriation process to correct budget classification and ensure proper allocation of funds on Transfers and Subsidies.	The adjustment processes follow the budget process as scheduled, but this has since been affected in line with the said processes.
3.	Monitor the procurement of the department to avoid delays and ensure timely procurement and delivery of assets.	Through the implementation of the procurement plan and the establishment of committees, the department strives to meet the set timelines; however, a lack of responses or unresponsive bids delays overall implementation.
4.	Accelerate the recruitment process and external support to utilize allocated funds effectively and meet capacity-building goals on the IDMS Funding.	Through the implementation of the procurement plan and the establishment of committees, the department strives to meet the set timelines; however, a lack of responses or unresponsive bids delays overall implementation. Personnel recruitment where suitable candidates were not found will be deferred to the 2026/27 financial year.
5.	Monitor spending on IT and Programme Support sub-programmes to ensure stabilization in the forthcoming quarters.	The Department will stabilise IT spending by strengthening and aligning the procurement plan with quarterly cash flow projections. Expenditure will be monitored through regular variance analysis, early warning mechanisms, and tighter oversight of key cost drivers, such as license and data line expenditure.
6.	Interlinked Financial System: Collaborate with National Treasury to implement the revised e-sourcing system and realize anticipated savings.	Collaboration with the National Treasury is underway MPT and DEDT are the pilot sites and have already been trained. The implementation of the pilot sites will start in the 1st quarter of the 2026/27 financial year
7.	Finalize procurement processes and ensure delivery of IT-related assets by the end of the third quarter to avoid further delays in departmental functionality.	IT procurement scheduled for the 3rd quarter was accordingly made with payment effected in January. Procurement scheduled for the 4th quarter (staff laptops) has also been placed. Some items are currently being delivered; orders have been issued for the remaining items (manage engine), and delivery is awaited, after which payment will be effected.

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury
House Resolutions on the 3rd Quarter Performance Report		
1	Strengthen and deepen monitoring of expenditure on Goods and Service to ensure spending remains within approved budget allocations.	Provincial Treasury continues to strengthen its monitoring tools to remain within the budget through monthly and quarterly reviews: <ul style="list-style-type: none"> • Regular meetings of the departmental budget advisory committee • In Year Monitoring (IYM) reviews by MANCO monthly • Management Committee to monitor budget implementation and expenditure management • External financial performance review by the departmental Audit Committee
2	Closely monitor procurement processes to avoid delays and ensure timely acquisition and delivery of assets.	Provincial Treasury develops an annual procurement plan, which is monitored monthly via the budget advisory committee, MNCO, and unit-based monthly meetings.
3	Fast-track the recruitment process and appointment of external support to effectively utilise allocated IDMS funds and achieve intended capacity-building objectives.	Personnel recruitment for suitable candidates for IDMS is part of the 2026/27 basket of posts.
4.	Strengthen budget planning and monitoring by: <p>(a) Implementing monthly budget review meetings to track progress against targets.</p> <p>(b) Introduce early-warning mechanisms for under or over-expenditure</p>	The Department continues to strengthen its monitoring tools to remain within the budget To ensure effective budget planning and monitoring through the Provincial Treasury: <ul style="list-style-type: none"> • Monthly budget and expenditure reviews by MANCO • Weekly expenditure reports circulated to Managers • Monitoring and Planning by DBAC (Departmental Budget Advisory Committee)

7. PORTFOLIO COMMITTEE CONTINUED

Resolution No	Resolutions	Response by Provincial Treasury
5.	<p>Strengthen Financial Reporting and forecasting improvement variance analysis within monthly and quarterly reports to facilitate proactive decision-making.</p> <p>(a) Train staff on forecasting models to improve the accuracy of financial projections to ensure alignment between internal records and system-generated reports.</p>	<p>Provincial Treasury conducts ongoing training and capacity building initiatives, and as part of that, the following initiatives have been conducted:</p> <ul style="list-style-type: none"> • CFO Office held a financial management workshop to improve controls and processes • In collaboration with Accounting Services, attended the GRAP 104 training • Revenue and cash management • Essential of budget formulation and analysis Course (EBFAC)
6.	<p>Reinforce internal controls and compliance address outstanding audit findings and implement corrective actions with set deadlines.</p> <p>(a) Conduct internal compliance audit quarterly.</p> <p>(b) Provide refresher training on financial policies and procedures.</p>	<p>Provincial Treasury has an approved internal audit plan based on the risks assessed for the MPT.</p> <p>The Internal Audit plans focus on reviews, which are conducted to track the implementation of audit action plans. The outcomes of the follow-up reports are presented to management to identify gaps and implement corrective measures.</p> <p>Through different sections within the MPT, training and capacity building initiatives were conducted as follows:</p> <ul style="list-style-type: none"> • CFO Office held a financial management workshop on 4 September 2025 to improve controls and processes • Accountant-General conducted loss control committee training for irregular expenditure during October and November 2025. • Provincial SCM held training for SCM practitioners on 11-12 March 2026. • Accounting Services planned to conduct GRAP training for Municipalities on 15 March 2026. <p>The internal newsletters for the MPT also provide awareness on policies on a regular basis to all staff.</p>

8. SCOPA RESOLUTIONS

MEETING DATES OF THE SELECT COMMITTEE ON PUBLIC ACCOUNTS

• 28 November 2025

Resolution No	Subject	Details	Response by Provincial Treasury	Resolved (Yes/No)
1	2024/25 PFMA Audit Outcomes	The Provincial Treasury provide progress on the status of Financial Distress municipalities after the review of their Mandatory Financial Recovery Plans.	<p>The Provincial Treasury assessed progress on implementation of the FRPs on a quarterly basis. The high-level progress can be summarised as follows:</p> <p>Audit outcomes</p> <p>Two municipalities, Govan Mbeki and Thaba Chweu, managed to improve their audit outcomes from qualified to unqualified with findings.</p> <p>Two municipalities sustained their audit outcome: Emalahleni received an unqualified opinion with findings, while Msukaligwa continued to face a qualified outcome.</p> <p>Budget status (movement)</p> <p>All municipalities' unfunded status increased except for Thaba Chweu.</p> <p>Four municipalities developed budget funding plans.</p> <p>All four municipalities' liquidity ratios improved, but they remain well below the norm.</p> <p>Municipalities still cannot cover their current liabilities with available cash and cash equivalents. The inability to collect billed revenue largely contributes to cash flow challenges and unfunded budgets</p> <p>Collection Rates (Norm 95%)</p> <p>All municipalities' collection rates fell below the 95% standard. Challenges such as the inability to manage and update indigents and the inefficient implementation of credit controls contribute to low payment rates.</p> <p>Thaba Chweu (84%) and Govan Mbeki (67%) reported improvements in their payment rates, but Emalahleni regressed to 30%, and Msukaligwa regressed by 1%.</p> <p>Revenue baselines billing performance</p> <p>Revenue enhancement initiatives in these municipalities helped improve revenue baselines across all four</p>	Yes

8. SCOPA RESOLUTIONS CONTINUED

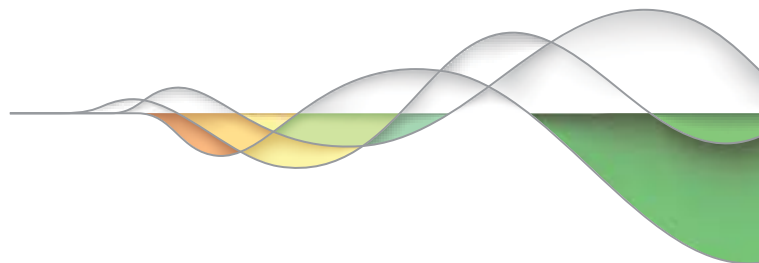
Resolution No	Subject	Details	Response by Provincial Treasury	Resolved (Yes/No)
1. continued			<p>Municipalities. Although the revenue baselines are showing positive signs, more focus is needed on collecting billed revenue, supported by both political and administrative efforts</p> <p>Outstanding debtors</p> <p>The decline in debtors mainly occurs through the write-off of overdue amounts. The debts of two municipalities decreased due to debt write-offs: Emalahleni (R200 million) and Govan Mbeki (R116 million).</p> <p>Outstanding Creditors</p> <p>The rise in creditors is mainly due to Eskom's increasing debt. Eskom's debt requires more attention because none of the municipalities can recover the costs of bulk electricity purchases. Plans were put in place to tackle both technical and non-technical losses of electricity and water.</p> <p>The Provincial Treasury's focus of support is on improving revenue management and the control environment. The department continues to support municipalities in identifying unnecessary expenditure and improving value for money, thereby strengthening their cash flow positions.</p>	
2.	2024/25 PFMA Audit Outcomes	Provincial Treasury develop measures to support municipalities, departments and entities in curbing Unauthorised, Irregular, Fruitless, and Wasteful (UIF&W) Expenditures.	<p>The Provincial Treasury continues to provide training to MPAC, DC Boards, Senior Management, and other Sec 79 committees on processing UIF&W and issues related to Consequence Management.</p> <p>The top 10 municipalities receiving support and guidance during MPAC sittings, including analysis of reports and the formulation of questions for committee members: City of Mbombela, Emalahleni, Govan Mbeki, Dr JS Moroka, Thaba Chweu, Lekwa, Victor Khanye, Msukaligwa, Mkhondo, Nkomazi</p> <p>Training on investigation of UIF&W, DC Boards on Financial Misconduct and Consequence management has been provided to 16 Municipalities in the 2025/26 Financial Year, namely:</p> <ul style="list-style-type: none"> Victor Khanye 	Yes

8. SCOPA RESOLUTIONS CONTINUED

Resolution No	Subject	Details	Response by Provincial Treasury	Resolved (Yes/No)
2. continued			<ul style="list-style-type: none"> • Emakhazeni • Pixley • Msukaligwa • Govan Mbeki • Thembisile Hani • Dr JS Moroka • Thaba Chweu • Lekwa • Mkhondo • Emalahleni • Nkangala • Ehlanzeni • Nkomazi • City of Mbombela • Bushbuckridge 	
3.		Provincial Treasury, working with COGHSTA, provides support across all four municipalities struggling to collect billed revenue, which exerts pressure on cash flow and delays creditor payments.	<p>The Provincial Treasury supported municipalities in developing credible budget funding plans.</p> <p>A revenue assessment tool was developed, and municipalities were trained to use it to identify challenges in municipal revenue value chains.</p> <p>These plans will be tabled with the draft budgets in Councils for implementation and oversight thereof.</p>	Yes
4.		Provincial Treasury provides continuous training to SCM, Finance, and other related personnel on addressing UIF&W expenditures and supply chain processes.	<p>The Provincial Treasury supported municipalities in developing credible budget funding plans.</p> <p>A revenue assessment tool was developed, and municipalities were trained on how to use it, to identify challenges in the municipal revenue value chains.</p> <p>These plans will be tabled with the draft budgets in Councils for implementation and oversight thereof.</p>	

8. SCOPA RESOLUTIONS CONTINUED

Resolution No	Subject	Details	Response by Provincial Treasury	Resolved (Yes/No)
5.		Provincial Treasury using National Treasury guidelines on condonation and reporting of UIF&W and encouraging departments to use a determination test to identify ways to reduce future UIF&W occurrences.	<p>Training and capacity-building were provided to the Loss Control Committees in the Departments and Public Entities.</p> <p>The training is based on the requirements outlined in National Treasury Instruction Note 4 of 2023/24, which, among others, include a determination test.</p> <p>This initiative will improve the submissions made to the Provincial Treasury for condonation of irregular expenditure</p>	Yes
6.		Provincial Treasury develop a Bill for the condonation unauthorized expenditures incurred by the provincial departments and public entities.	<p>In accordance with National Treasury Instruction 4 of 2022/23, the Provincial Legislature approves unauthorised expenditure as a direct charge against the Revenue Fund.</p> <p>The MEC for Finance must table a Bill in the Provincial Legislature to give effect to the authorisation of the expenditure to be a direct charge against the Revenue Fund.</p>	



9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to the audit reports.

10. INTERNAL CONTROL UNIT

The Provincial Treasury does not have a formalised Internal Control Unit however the Office of the CFO has assigned various internal control checks to the responsible managers whilst the organisational structure was being reviewed.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

STRATEGIC ROLE AND PURPOSE OF INTERNAL AUDIT

The internal audit function (IAF) is a fundamental component of the department's governance and accountability system. The IAF is established in terms of section 38(1)(a)(ii) of the Public Finance Management Act (PFMA) read together with Treasury Regulation 3.2. In light of Treasury Regulation 3.2.6, which stipulates that internal audit must be conducted in accordance with the Standards™ set by the Institute of Internal Auditors, the IAF is required to comply with the International Professional Practices Framework® (IPPF®) comprising the Global Internal Audit Standards™, Topical Requirements, and Global Guidance published by the Institute of Internal Auditors (The IIA). The IPPF establishes the foundation upon which the IAF acts independently and objectively in providing assurance and advisory services in respect of the department's overall governance, risk management, and internal control processes. The IAF is led by the Chief Audit Executive (CAE) and operates in terms of the Internal Audit Charter, which is approved by the Audit Committee and endorsed by the Accounting Officer.

STRATEGIC POSITIONING AND INDEPENDENCE

The IAF functions independently from management and is empowered with a functional reporting line directly to the Audit Committee (AC), and an administrative reporting line to the Accounting Officer. The IAF's functional reporting to the audit committee (AC) is prescribed in the section 38(1)(a)(ii) of the PFMA and is intended to protect the independence and objectivity of individual internal auditors. The CAE has unrestricted access to the Chairperson of the AC. The independence of the IAF is actively protected at all times, this is documented by the IAF and is monitored and reviewed by the AC to ensure that the IAF remains free from undue influence in the execution of its mandate

11. INTERNAL AUDIT AND AUDIT COMMITTEES CONTINUED

• KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

• Purpose and mandate

- The IAF has been established in terms of Section 38 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) and the prevailing Treasury Regulations.
- The IAF supports and promotes the improvement in governance, risk management and internal controls for the Mpumalanga Provincial Treasury (MPT) to achieve its strategic goals and objectives. The service provided by the internal audit function is defined by the Internal Audit Charter (IAC), which describes its purpose, authority, responsibility and position within the MPT.

• Strategy

- The strategy of Internal Audit is to strengthen the Mpumalanga Provincial Treasury's ability to achieve its goals and objectives by providing independent risk-based objective assurance, advice, insight and foresight.

• Charter, methodology and internal audit plans

- The internal audit charter, strategy, 3-year strategic internal audit plan and annual internal audit plan were reviewed, approved and implemented. The internal audit methodology was reviewed and aligned to the Global Internal Audit Standards™ and approved for implementation.

• Independence and objectivity

- The internal audit function is independent and reports directly to the Accounting Officer and is operating freely and independently. All members of the internal audit function have confirmed their independence, objectivity and confidentiality when conducting audit services.

• Internal audit modality

- The internal audit function is fully in-house..

• Staffing

- The internal audit function had an approved budget of R6 271 000 and spent R6 135 000 (98%). The internal audit function consist of 6 staff members excluding the secretary, they are all members of the Institute of Internal Auditors. There is was one vacancy of an assistant manager internal auditor position from 01 August 2025 during the year. The vacant post was sent to the Office of the Premier for evaluation and approval for advertising and should be filled in the new financial year. The internal audit function was also complemented with one intern to provide additional capacity. The collective skills and experience are appropriate for the internal audit function to deliver on its mandate. All members of the internal audit function have personal development plans which are budgeted for and training and development programs are attended and reported on during the year.

• Quality assurance and improvement program

- A quality assurance and improvement program is in place, the internal assessment was finalised on 30 January 2026. The external quality assessment report was issued during the financial year and the results of the assessment indicated general conformance with the Global Internal Audit Standards™.

11. INTERNAL AUDIT AND AUDIT COMMITTEES CONTINUED

- The assessment of the internal audit function by the stakeholders, including the Audit Committee was done and a report to that effect was issued. The report indicated that the internal audit function adds value to the Provincial Treasury and delivers on its mandate.

• *Stakeholder relationships*

- The internal audit function has a cordial working relationship with management and the various sections within the Provincial Treasury. The internal audit plans are informed by the annual risk assessment facilitated by the risk management unit. The Chief Audit Executive and Chief Risk Officer meet regularly to provide updates and feedback on the assurance on risks identified during the period.
- The Internal Audit Function works well with the AGSA; the internal audit plans are shared for inputs, reports issued are utilised by the external auditors for risk purposes.

o *Combined Assurance*

- The IAF together with Management and Risk Management unit plays an integral part role on the combined assurance framework within the MPT. Working together with the Risk Management unit the assurance map for the identified risks are documented. Internal Audit provides assurance based on the approved internal audit plan on the risks from the combined assurance framework to the Audit Committee.

• *Value add*

- The Internal audit function as part of the advisory services supported the human resources section on the payroll verification project within the Provincial Treasury. There is a process to monitor the exceptions from the business process automation systems and the corrective actions taken. This has reduced the risk for material misstatement of the leave liability on the annual financial statements. The internal audit function conducted workshops with some departments and municipalities on combined assurance. The internal audit function was invited by the Provincial Accountant General to present on Internal Audit role in investigating irregular expenditure to the Loss Control Committees in Provincial Departments. Presentations were also made to some municipalities on the implementation of combined assurance. The Chief Audit Executive was part of the support team at the Department of Education appointed by the Director-General from the Office of the Premier.

• *Limitations*

- There were no constraints for the internal audit function that impede optimal performance.

o *Specify a summary of audit work done*

• *Planned and completed audits*

- The internal audit function planned 2 advisory services and 7 assurance services and achieved 100% of the planned activities as per the approved internal audit plan. The internal audit function also continuously audits and monitors the E-Leave and Invoice Tracking systems and provided exception reports for management to take corrective action.
- There were no roll-over of projects to the new financial year's internal audit plan.

11. INTERNAL AUDIT AND AUDIT COMMITTEES CONTINUED

• *Ad hoc projects*

- Three ad-hoc projects were initiated and completed.

• *Status of audit findings addressed*

- During the financial year the IAF issued 55 findings based on the audits conducted, 24 were positive findings, 10 were significant findings and 21 were housekeeping findings. A total of 31 recommendations were issued during the reporting period, based on the follow-up reviews conducted 13 recommendations were implemented 10 recommendation are in progress and not yet finalized, there are 8 recommendations still need to be verified as the audit was concluded towards the end of the financial year. From the IAF findings there were 16 recurring audit findings. The repeat findings related to movement of assets not timeously captured, information incorrectly captured on asset register, management of government vehicles, commitments older than three months, IT general controls not fully addressed and OHS matters to be attended to by the Department of Public Works Roads and Transport. The IAF maintains a database of audit findings which is regularly followed-up and reports are issued to management to monitor the finalisation of action plans to improve control measures and address risks identified.
- The AGSA issued 17 findings for the 2024/2025 financial year relating to the Information Technology environment, action plans were developed, 8 recommendations were implemented, there are 9 recommendations that are still in progress and not yet finalized.

Findings	Number of findings	Total Addressed	In Progress	Not Yet Due	Total Not Addressed	No. of recurring findings Last 3 Financial Years
IAF Findings	31	13	10	8	0	16
AGSA Findings	17	8	9	0	0	2

AUDIT COMMITTEE

The AC is established by the MPT as prescribed by the PFMA and its core functions and responsibilities are set out in the Treasury Regulations and the Audit Committee Charter approved by the Accounting Officer. The AC plays a pivotal role in assessing operations, and based on such assessment, advise the Accounting Officer and Executive Authority regarding the effectiveness of the MPT's overall governance, risk management and internal control system; the effectiveness of the internal audit function; the adequacy, reliability and accuracy of financial and performance information produced; accounting and auditing concerns identified through internal and statutory audits; and compliance with legal and regulatory provisions. The AC thus assists the MPT in enhancing its integrity and operational effectiveness through good governance and adherence to the legislative, accounting, and auditing frameworks.

• **KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE**

• *Purpose and mandate*

- The purpose of the Audit Committee is to transversally assist the Accounting Officer of the Mpumalanga

11. INTERNAL AUDIT AND AUDIT COMMITTEES CONTINUED

Provincial Treasury to fulfil her oversight responsibility. The Audit Committee reports directly to the Accounting Officer, reports are provided to the Executive Authority on their observations. The Audit Committee has adopted a formal terms of reference as its Audit Committee Charter which was approved by the Accounting Officer.

- **Independence**

- The Audit Committee operated freely and independently and all members declared that there were no circumstances that may arise that may impact their independence and objectivity.

- **Protecting the independence of the internal audit function**

- The Audit Committee has reviewed and is satisfied with the organisational positioning and independence of the internal audit function. There were no threats to the independence or victimisation of the internal audit function.

- **Performance against statutory duties**

- The Audit Committee confirms that it has fulfilled its functions and responsibilities as set out by the PFMA, Treasury Regulations, Global Internal Audit Standards™ and the Audit Committee Charter.

- **Composition of the audit committee**

- The Audit Committee now has six members all of whom are external members, the composition of the AC is adequate and appropriate to fulfilling their responsibilities as defined by their Charter. The members have an adequate mix of skills and experience to fulfil their mandate and oversight responsibilities.

- **Combined assurance**

- The Audit Committee oversees the progress reporting by the Risk and Ethics Management Committee on the management and evaluation of risks by the various assurance providers. The Provincial Treasury has implemented a combined assurance framework and has a good maturity level when reviewing the reports presented on the management of risks.

- **Meeting attendance**

- The Audit Committee held five meetings during the reporting period.

- **Resolution of audit committee recommendations**

- The Audit Committee is satisfied on how the recommendations made are received and implemented, a decision register is managed to track resolutions made at meetings held.

- **Audit committee performance evaluation**

- The Audit Committee conducted a self-evaluation on its performance and effectiveness whilst an assessment by the Audit Committee stakeholders was also performed. The assessment indicated that the Audit Committee is functional, effective and adds value in its oversight role and delivers on its mandate as required by the audit committee charter.

- **Audit Committee Composition and Meeting Attendance**

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

11. INTERNAL AUDIT AND AUDIT COMMITTEES CONTINUED

Name	Qualifications	Professional Affiliation	Appointment: Term of Office		No of Meetings attended 2025/2026		Has the AC member declared private and business interests in every meeting?	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on	No. of other governance structures the member served on
			Start date	End Date	Ordinary Meetings	Special Meetings				
Dr. Jane Sedie Masite Chairperson up to 31 October 2025	Certified Internal Auditor (CIA) Certified Internal Control Professional (CICP) Chartered Internal Auditor, (CMIIA) Certified Fraud Examiner (CFE), Qualification in Internal Audit Leadership, (QIAL) Chartered Government Internal Auditor.(CGIA) B Com Degree	IIASA CIACOL ACFE IODSA IRMSA CIGFARO ICI	01/11/2019	31/10/2025	3	1	Yes	No	3	1
Dr. Machiniba Sylvia Sathekge Chairperson from 1 November 2025	Doctor of Business Administration Masters of Business Leadership Masters of Science specialisation in Technology Management Bachelor Science B Tech Information Technology	IODSA ITPSA ICITP	01/11/2022	31/10/2028	1	1	Yes	Yes	3	1

11. INTERNAL AUDIT AND AUDIT COMMITTEES CONTINUED

Name	Qualifications	Professional Affiliation	Appointment: Term of Office		No of Meetings attended 2025/2026		Has the AC member declared private and business interests in every meeting?	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on	No. of other governance structures the member served on
			Start date	End Date	Ordinary Meetings	Special Meetings				
Mr Trevor Boltman	Certified Internal Auditor Certified Government Auditing Professional Certification in Control Self-Assessment Certificate in Forensic Examination Post Graduate Diploma Internal Auditing B Tech Internal Auditing	IIASA CIAGOL ACFE IRMSA	01/11/2022	31/10/2028	3	1	Yes	No	6	1
Dr. Mike Khathushelo Ramukumba	Doctor of Business Administration Masters of Business Administration CA (SA) B Com Honours (CTA) B Com	SAICA	01/11/2022	31/10/2028	3	1	Yes	No	3	2
Ms. Ntombizakithi Pearl Zwane	B Comm: Accounting Post Grad Diploma: Business Management Certificate Programme in Management Development for Municipal Finance Procurement Professional Chartered Institute of Procurement and Supply (CIPS)	CIPS	01/11/2022	31/10/2028	3	0	Yes	Yes	0	0

11. INTERNAL AUDIT AND AUDIT COMMITTEES CONTINUED

Name	Qualifications	Professional Affiliation	Appointment: Term of Office		No of Meetings attended 2025/2026		Has the AC member declared private and business interests in every meeting?	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on	No. of other governance structures the member served on
			Start date	End Date	Ordinary Meetings	Special Meetings				
Mr. Suren Maharaj	Masters of Business Administration CA (SA) CTA B Compt Honours B Com Degree	SAICA CIGFARO IOD SA CFO SA	01/11/2025	31/10/2028	1	0	Yes	No	8	1
Ms. Tiniyiko Mhlari	CA (SA) Registered Auditor H Dip Tax Law B Com Honours B Com Degree	SAICA IRBA IIASA	01/11/2025	31/10/2028	1	0	Yes	No	3	0

• **Remuneration of audit committee members**

- Audit Committee members are remunerated using the National Treasury rates. Audit Committee members are paid for up to two days preparation time and one day for the meeting.
- Audit Committee Members working for an organ of state are not remunerated. Meetings are held virtually; however in the event of a physical meeting the Provincial Treasury would cover the travel and subsistence cost associated for a physical meeting, including for members from organs of state.
- The total audit committee expenditure for the reporting period amounted to R171 275.

12. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE

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

PART 1: AUDIT COMMITTEE REFLECTIONS:

The primary purpose of the Audit Committee is to transversally assist the Accounting Officer of the Mpumalanga Provincial Treasury to fulfil their oversight responsibility. The Audit Committee is an independent oversight structure appointed that has non-executive status and required to ensure that no conflict of interest may arise with regards to its responsibilities. The internal audit function reports functionally to the Audit Committee and administratively to the Accounting Officer. The Chief Audit Executive's role is to lead the internal audit function in providing assurance and advisory services. The Audit Committee conducts an annual evaluation of its performance and there were no challenges that were highlighted.

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) (ii) of the Public Finance Management Act, Act No. 1 of 1999 and Treasury Regulation 3.1.8 – 3.1.16. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, aligned to the Global Internal Audit Standards™. We have regulated our affairs in compliance with this charter and have discharged all responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices. The Audit Committee has functioned without hindrance or limitation throughout the reporting period.

PART 2: AUDIT COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The audit committee consists of 6 external members, 2 of the members are employed from within the Public Service. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened 5 times during the year with 4 being ordinary meetings and the remainder being a special meeting.

PART 3: AUDIT COMMITTEE FOCUS AREA

Effectiveness of internal control systems:

Management has a positive approach to maintaining an effective internal control system, approved policies and procedures are in place and are reviewed periodically. Evaluation of compliance with legislation and policies is performed during the reviews by internal and external audit per focus area that are part of the approved audit plans.

From the various reports from internal audit and external audit, the following matters were reported indicating deficiencies in the system of internal control.

- Failure by the Department of Public Works, Roads and Transport to attend timeously to Occupational Health and Safety matters impacting the Provincial Treasury;
- Monitoring the clearing of long outstanding commitments for orders processed;
- Non-adherence to the timelines in the procurement plan;
- Movement of assets and information not timeously reflected on LOGIS;
- Inadequate monitoring and review of the usage of government vehicles;
- IT Strategy in draft in consultation awaiting approval;
- Cyber security strategy and cloud policy in draft awaiting approval.

12. AUDIT COMMITTEE REPORT CONTINUED

In order to address deficiencies noted, the Audit Committee monitors progress made by management with implementing action plans to address deficiencies.

Effectiveness of the internal audit function:

The internal audit function has operated objectively and independently during the year under review in terms of its approved charter guided by the approved internal audit strategy, internal audit plan, and internal audit manual in compliance with the Global Internal Audit Standards™. The Committee is satisfied with the performance and effectiveness of the internal audit function which is adequately capacitated and undertakes continuous professional development programs aligned to the performance management and development requirements. The Audit Committee takes note of the business process automation strategies within the Provincial Treasury and the utilization of the technology for data analytics, continuous audit processes and exception reporting. The internal audit function shares its internal audit plans with the external auditors for inputs and coordinates its activities with other assurance providers, namely the Risk Management Unit. The Audit Committee met with the Chief Audit Executive, AGSA, and Accounting Officer in separate sessions and there are no unresolved issues of concern.

Effectiveness of risk management:

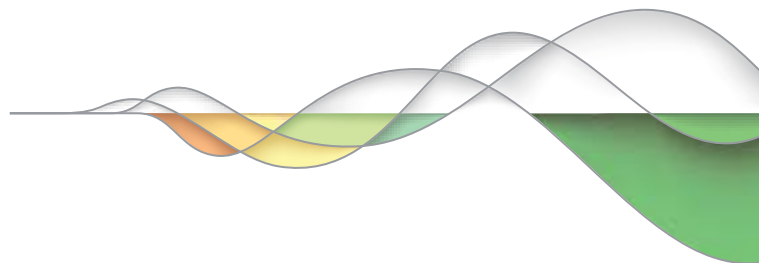
Quarterly reports by the Risk and Ethics Management Committee highlighted the management of risks and the implementation of the combined assurance plan. The Audit Committee is satisfied that significant risks identified are covered by the internal audit plan, the external audit also utilizes the risks identified to guide their audit strategy. Both the Audit Committee and Risk and Ethics Management Committee provided assurance and advised management on improvement on effectiveness of governance, risk management and internal controls. The MPT was effective in mitigating 77% of the risks identified to an acceptable level, 14% of the risks are medium risks, 8% are high and 1% maximum risks. Some unacceptable risks with external influence that are impacted by the performance of Provincial Departments and Municipalities were identified for management to continuously monitor and take note of.

Adequacy, reliability and accuracy of the financial and performance information:

The Audit Committee is satisfied that management has managed the risk that may impact the integrity of external reports issued by the department. The Audit Committee is satisfied with the adequacy, reliability and accuracy of the financial and performance information, and there are no major concerns that were noted.

Adequacy and effectiveness of Information and Communication Technology (ICT) Governance:

The Audit Committee has noted that the Information Technology Strategy, Cloud Policy Framework and Cybersecurity Strategy for the MPT has been drafted and undergoing consultations prior to approval. The Audit Committee recommended that the consultation processes for ICT policies be prioritized to improve the ICT Governance environment. The MPT does have a detailed ICT risk register that is managed in terms of the combined assurance framework. The MPT ICT Steering Committee regularly reviews and monitors the management of the ICT control environment, data security and incident management. The Audit Committee can confirm that the MPT has a disaster recovery plan (DRP) and Business Continuity Plan (BCP) in place, the transversal systems are regularly tested in conjunction with the schedule from the State Information Technology Agency (SITA).



12. AUDIT COMMITTEE REPORT CONTINUED

Accounting and auditing concerns identified as a result of internal and external audits:

Areas raised by internal and external audit are highlighted under the effectiveness of internal control systems. Action plans are developed by management to attend to for all areas raised. Follow up reports on the implementation of action plans are conducted by internal audit and presented to the Audit Committee for monitoring of progress on resolving areas of concern. As part of the regular Audit Committee meetings, the Chief Financial Officer is required to brief the Audit Committee on unauthorized, irregular, fruitless and wasteful expenditure (UIFWE) risks that may exist or have materialized. There were no material irregularities that were identified or brought to the attention of the Audit Committee.

Compliance with legal requirements and regulatory provisions:

Based on the work performed by the IAF and reports received the AC is satisfied with the MPT's compliance with legal and regulatory requirements.

The quality of in-year management and quarterly reports submitted in terms of Legislation:

The Audit Committee is satisfied with the quarterly performance and financial reports that is receives and review that are required to be submitted in terms of the PFMA.

Combined assurance:

The Audit Committee oversees the progress reporting by the Risk and Ethics Management Committee on the management and evaluation of risks by the various assurance providers. The department has implemented a combined assurance framework and has a good maturity level when reviewing the reports on the management of risks. .

Evaluation of Annual Financial Statements and Annual Performance Report:

The Audit Committee has reviewed and discussed with the Accounting Officer and Auditor-General the annual financial statements and annual performance report to be included in the annual report. The Auditor-Generals management reports did not highlight any findings that are of concern. There were no changes in accounting policies and practices and there was compliance with legal and regulatory provisions. The department has prepared quality financial and performance information on a timely basis for oversight purposes. The midterm financial statements and quarterly performance reports were subjected to internal audit review. There were no significant financial reporting issues for the reporting period that remain unresolved between the management and the external auditors. The Audit Committee recommended the annual financial statements and the annual performance report be approved on 23 July 2026.

The Audit Committee is pleased with the audit opinion and this reflects the continuous commitment and effort by management to address performance during the year.

External Audit:

The Audit Committee views the AGSA as being independent and objective when conducting the external audit. There were no matters raised by the AGSA that were not adequately addressed. The Audit Committee met with the AGSA and there are no unresolved issues of concern.

Auditor-General's Report:

We have reviewed the Provincial Treasury's implementation plan regarding audit issues raised in the previous year and are satisfied that the matters are in the process of being resolved. The Audit Committee concurs and accepts the conclusion

12. AUDIT COMMITTEE REPORT CONTINUED

of the Auditor-General on the Annual Financial Statements and Annual Performance Report and is of the opinion that the Audited Annual Financial Statements and Annual Performance Report be read together with the report of the Auditor-General.

APPRECIATION

The Audit Committee wishes to express its appreciation to the management team and to the staff of Provincial Treasury who provided immense support towards the realization of a clean administration resulting in the attainment of consecutive clean audit outcomes. Further, the Audit Committee appreciates the assistance and cooperation of management in the discharge of its responsibility.

CONCLUSION

The Audit Committee is also committed to align to the AGSA Culture Shift Framework in promoting the accountability ecosystem.



Dr. Machiniba Sylvia Sathekge

Chairperson of the Audit Committee

Date: 31/07/2026

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Level 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Provincial Treasury does not have the criteria for issuing of licences, concessions, and any other economic activity as this does not form part of Provincial Treasury's mandate
Developing and implementing a preferential procurement policy?	Yes	The Provincial Treasury has a Preferential procurement policy in place that was effective as of 01 February 2023 and adheres to the Preferential Procurement Regulations of 2022 .
Determining qualification criteria for the sale of state-owned enterprises?	No	The Provincial Treasury does not sell any state owned enterprises
Developing criteria for entering into partnerships with the private sector?	No	The Provincial Treasury does not enter into any PPP (Private Public Partnerships) but only provided support to other stakeholders in the application process to the National Treasury.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Provincial Treasury does not award incentives, grants and investment schemes in support of Broad –Based Black Economic Empowerment.

PART D



HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

A) THE STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

- The Provincial Treasury had three hundred and thirty-two (332) staff complement as of 31 March 2026. The dedication, hard work, and selfless efforts of the Provincial Treasury's staff are the reason for the high level of performance.
- The Provincial Treasury has capable human capital who are expected to have a positive impact in rendering quality service delivery to the province through the support provided to Departments, public entities and municipalities. Corporate Services continued to be the centre of effective monitoring and implementation of people management through performance management compliance indicators and provided management with regular updates on various accurate people management information to enable sound decision-making.
- These indicators include, among others, staff establishment information, headcount, leave liability, status on labour-related cases, employee health and wellness-related cases, vacancy rates, staff mobility, records management, employment equity issues and human capital development needs.

B) HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE

Human Resource Priorities	The impact
Attracting and recruiting the best and skilled workforce	Improved organizational performance. Reduced overworked staff
Retaining and developing a modern responsive and professional workforce	Reduced personnel turnover
Facilitate approval of organisational structure	Alignment with government priorities
Ensure proper implementation of exit interviews	Improved retention strategy
Provision of accurate HR information	Informed decision-making

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Human Resource Priorities	The impact
Proper management of leave	Healthy and productive workforce. Maximum performance and reduced leave liability. Reduced absenteeism rate.
Implement the Code of Conduct	Disciplined employees Harmonised working environment.
Ensure capacity building for all employees	Improved operational efficiency. Enhanced employee performance. Achievement of organizational targets.
Proper implementation and management of Performance Management and Development System	Improved organizational performance

C) **WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE**

- The Provincial Treasury has an approved Human Resource Plan (HRP) which provides for effective planning and acquired personnel with requisite skills, knowledge, and attributes to perform the work through the workforce planning process. Through this process, the Provincial Treasury assesses its workforce profile against the supply and demand of the organization. The main purpose of the assessment is to identify the extent of the current workforce in addressing key people management outcomes that would guarantee service continuity and value of the workforce. The workforce planning/ human resource planning is aligned to the vision and mission of the Departmental strategic objectives.
- The Provincial Treasury had identified and funded twenty-three (23) vacant positions to be filled during 2025/26. Fifteen (15) posts were also finalised in 2025/26. Alignment of job requirements with the National Treasury guidelines, during the advertisement of vacant positions, is one of the key strategies which the Department continued to apply, thereby reaching prospective employees.

D) **EMPLOYEE PERFORMANCE MANAGEMENT**

- Performance management is guided by regulations 71 and 72 of the Public Service Regulations, 2016, as amended and lays an obligation to both the employer and employee to monitor and enhance performance by encouraging individual commitment, accountability, and motivation. All employees are expected to enter into performance agreements by 31 May of each year. The performance agreement is a binding contract between the employer and employee containing the projects, programmes, activities, expectations and standards of the required delivery.
- Performance management process requires that mid-term review and annual assessment be conducted within the stipulated period, the operational targets and achievements must be linked to the performance agreement entered into between both parties. This is an ongoing consultative process to be managed properly to avoid any disputes that may arise from the performance management process.

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

- The performance management process also makes provision for training and development interventions through personal development plans. This is aimed at improving the performance of individuals where shortfalls/gaps are identified from the set targets. The moderation process was concluded, and all employees at salary Levels 2-12 and senior management were assessed in accordance with the Performance Management and Development System and SMS Handbook, 2018 and those who qualified for performance rewards were paid accordingly, for example, pay progression.
- As part of encouraging employee performance, the Department implemented the long service in line with Part XXIII of PSCBC Resolution 3 of 1999, PSCBC Resolution 6 of 2003, and PSCBC Resolution 1 of 2012. The department also implemented excellence awards, which included various categories to recognise excellent performance by employees. Since the monetary rewards have been discontinued in line with the 2019 Incentive Policy Framework for Employees in the Public Service.

E) EMPLOYEE WELLNESS PROGRAMMES.

- The Employee Health and Wellness Programme (EHW) follows a holistic approach to managing employee well-being and is largely preventative in nature, offering both primary and secondary services. The Employee Health and Wellness Committee convened quarterly meetings to monitor compliance with the Strategic Framework on Employee Health and Wellness and to recommend programmes to promote employee health and productivity.
- The Provincial Treasury complied with the Employee Health and Wellness Framework and conducted Employee Health and Wellness programmes as follows:

PILLAR 1: HIV/AIDS and TB Management:

- HIV/AIDS and TB Management
- Article on HIV/AIDS & STI's.
- Commemoration of World AIDS Day through exhibition

PILLAR 2: Health and Productivity Management:

- Health Awareness and Health Screening
- Mental Health Awareness (Bullying in the Workplace)
- Women's Health & Gender Equality.
- Wellness support, including referrals to relevant institutions.
- Article on Healthy Lifestyle.
- Eye Testing

PILLAR 3: SHERQ

- Review and manage the implementation of OHS Action Plan
- Ensure implementation of OHS policy
- Facilitate the identification of OHS Hazards for 12 offices
- Occupational Health and Safety Awareness
- OHS Quarterly Meetings

PILLAR 4: Wellness Management:

- Employee Wellness Programme
- Physically Wellness programme

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

- Retirement Planning
- Management of Personal Finances
- Sports Wednesdays
- Provincial Games

F) GENDER FOCAL POINT

- The Gender Focal Point unit coordinated programmes to intensify gender mainstreaming in the Department, targeting officials and vulnerable communities. The following programmes were implemented during the period under review:
 - Gender Based Violence and Femicide
 - Men's Summit
 - Gender Equality
 - Public Service Women Management Week (PSWMW)
 - Participated in commemorative events for legacy projects and donated household items for life sustainability.

G) HIGHLIGHT ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT, AS WELL AS FUTURE HUMAN RESOURCE PLANS /GOALS

- Implemented the Workplace Skills Plan for 2025/26, and twenty (20) training programmes were offered, which a total of one hundred and twenty-five (125) employees attended.
- Implemented the youth developmental programme during 2025/26.
- Implemented service conditions and benefits to employees of the Provincial Treasury, which includes, among others, hosting and celebrating long service awards to all long-serving employees of 10,20, and 30 years in the public service.
- Employee Health and Wellness programmes were implemented to provide wellness and psychotherapy support to employees where necessary. Referrals to professionals were coordinated, and affected employees were supported accordingly.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2025 and 31 March 2026

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	166 363	88 714	2 784	1 599	53.3	599
Sustainable Resource Management	79 863	59 590	313	2 077	74.6	1 083
Assets & Liabilities Management	352 539	78 871	567	100	21.8	789
Financial Governance	32 078	27 039	434	163	84.3	932
Total	630 843	254 211	4 097	3 939	39.7	766

Table 3.1.2 Personnel costs by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Level 1-2)	4 389	1.7	20	219
Skilled (Level 3-5)	11 876	4.7	36	330
Highly skilled production (Level 6-8)	52 755	20.8	99	533
Highly skilled supervision (Level 9-12)	144 409	56.8	146	989
Senior and Top management (Level 13-16)	33 981	13.4	22	1 545
Contract (Level 1-2)	0	0	0	0
Contract (Level 3-5)	953	0.4	2	477
Contract (Level 6-8)	401	0.2	1	401
Contract (Level 9-12)	1 457	0.6	2	729
Contract (Level >= 13)	1 355	0.5	1	1 355

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Contract Other	2 635	1.0	3	878
Total	254 211	100	332	766

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2025 and 31 March 2026

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	74 382	83.8	632	0.7	2 393	2.7	5 252	5.9
Sustainable Resource Management	51 394	86.2	7	0	957	1.6	1 410	2.4
Assets & Liabilities Management	65 356	82.9	103	0.1	1 903	2.4	3 894	4.9
Financial Governance	22 638	83.7	21	0.1	556	2.1	1 323	4.9
Total	213 770	84.1	763	0.3	5 809	2.3	11 879	4.7

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Level 1-2)	3 027	69.0	0	0	346	7.90	647	14.2
Skilled (Level 3-5)	8 193	69.0	23	0.20	711	6.0	1 770	14.9

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Highly skilled production (Level 6-8)	40 640	77.0	318	0.6	2 032	3.9	4 216	8.0
Highly skilled supervision (Level 9-12)	125 274	86.7	327	0.2	2 229	1.4	4 891	3.1
Senior management (Levels 13-16)	30 227	89.0	0	0	491	1.5	355	3.4
Contract (Level 3-5)	930	91.6	0	0	0	0	0	0
Contract (Level 6-8)	401	100	0	0	0	0	0	0
Contract (Level 9-12)	1 326	91.0	0	0	0	0	0	0
Contract (Level >= 13)	1 239	91.4	0	0	0	0	0	0
Contract Other (Interns)	2 513	95.4	95	3.6	0	0	0	0
Total	213 770	84.1	763	0.3	5 809	2.3	11 879	4.7

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.2 EMPLOYMENT AND VACANCIES

Table 3.2.1 Employment and vacancies by programme as on 31 March 2026

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	166	144	13.3	4
Sustainable Resource Management	59	55	6.8	0
Assets & Liabilities Management	157	100	36.3	0
Financial Governance	51	29	43.1	0
Total	433	328	24.2	4

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2026

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	23	20	13.0	0
Skilled (3-5)	70	37	47.1	0
Highly skilled production (6-8)	129	99	23.3	0
Highly skilled supervision (9-12)	184	146	20.7	0
Senior management (13-16)	26	21	19.2	0
Contract (Level 3-5),	0	2	0	0
Contract (Level 6-8),	0	0	0	4
Contract (Level 9-12),	0	2	0	0
Contract (Level >= 13),	1	1	0	0
TOTAL	433	328	24.2	4

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2026

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	77	33	57.1	0
Cleaners In Offices Workshops Hospitals Etc., Permanent	23	20	13.0	0
Communication And Information Related, Permanent	6	6	0	0
Finance And Economics Related, Permanent	74	56	24.3	0
Financial And Related Professionals, Permanent	38	30	21.1	0
Financial Clerks and Credit Controllers, Permanent	13	7	46.2	0
Food Trade Assistant, Permanent	1	1	0	0
General Accountant, Permanent	3	3	0	0
Head Of Department/Chief Executive Officer, Permanent	1	1	0	0
Human Resources Related, Permanent	12	9	25.0	4
Information Technology Related, Permanent	38	36	5.3	0
Internal Audit Manager, Permanent	1	1	0	0
Internal Auditor, Permanent	4	3	25.0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Legal Related Manager, Permanent	2	2	0	0
Legal Related, Permanent	1	1	0	0
Light Vehicle Driver, Permanent	7	7	0	0
Logistical Support Personnel, Permanent	53	41	22.6	0
Middle Manager: Administrative Related, Permanent	7	7	0	0
Middle Manager: Finance And Economics Related, Permanent	4	4	0	0
Policy And Planning Managers, Permanent	1	1	0	0
Receptionist (General), Permanent	1	1	0	0
Risk Management and Security Services, Permanent	7	7	0	0
Risk Officer, Permanent	1	1	0	0
Safety Health and Quality Inspectors, Permanent	1	1	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	26	23	11.5	0
Senior Managers, Permanent	25	20	20	0
Senior Managers, contract	0	1	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Supply Chain Manager, Permanent	1	1	0	0
Supply Chain Practitioner, Permanent	2	2	0	0
Systems Administrator, Permanent	2	2	0	0
Total	433	328	24.2	4

3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as on 31 March 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Levels 16	0	0	0	0	0
Salary Levels 15	0	0	0	0	0
Salary Levels 14	3	3	100	0	0
Salary Levels 13	18	18	100	0	0
Total	22	22	100	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.3.2 SMS post information as on 30 September 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Levels 16	0	0	0	0	0
Salary Levels 15	0	0	0	0	0
Salary Levels 14	3	3	100	0	0
Salary Levels 13	18	17	100	1	5.6
Total	22	21	95.45	1	4.3

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2025 and 31 March 2026

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	0	0	0
Salary Levels 16	0	0	0
Salary Levels 15	0	0	0
Salary Levels 14	0	0	0
Salary Levels 13	0	0	1
Total	0	0	1

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2025 and 31 March 2026

Reasons for vacancies not advertised within six months
During the normal recruitment process, a suitable candidate could not be found, and a head-hunting process was explored which resulted in the filling of the post within 12 months.
Reasons for vacancies not advertised within twelve months
None

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2025 and 31 March 2026

Reasons for vacancies not advertised within six months
None
Reason for vacancies not filled within six months
During the normal recruitment process, a suitable candidate could not be found, and a head-hunting process was explored which resulted in the filling of the post within 12 months.

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.4 JOB EVALUATION

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2025 and 31 March 2026

Salary band	Number of Posts on Approved Establishment	Number of Jobs Evaluated	% of Posts Evaluated by Salary Bands
Lower Skilled (Level 1-2)	23	1	4.3
Skilled (Level 3-5)	70	0	0.0
Highly Skilled Production (Level 6-8)	129	4	3.1
Highly Skilled Supervision (Level 9-12)	184	5	2.7
Senior Management Service Band A	21	0	0
Senior Management Service Band B	4	1	25.0
Senior Management Service Band C	1	0	0
Senior Management Service Band D	0	0	0
Contract (Level 3-5)	0	0	0
Contract (Level 9-12)	0	0	0
Contract Band A	1	0	0
Total	433	11	2.5

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2025 and 31 March 2026

Profile of employees whose positions were upgraded due to their posts being upgraded	None
--	------

Table 3.4.3 Employees with salary Level higher than those determined by job evaluation by occupation for the period 1 April 2025 and 31 March 2026

Employees with salary Level higher than those determined by job evaluation	None
--	------

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

Profile of employees who have salary Level higher than those determined by job evaluation	None
---	------

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.5 EMPLOYMENT CHANGES

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2025 and 31 March 2025

Salary band	Number of employees at beginning of period-1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Level 1-2)	19	4	0	0
Highly skilled production (Level 6-8)	99	18	6	6.0
Skilled (Level 3-5) Permanent	35	3	3	8.6
Highly skilled supervision (Level 9-12)	143	8	3	2.1
Senior Management Service Bands A	13	1	0	0
Senior Management Service Bands B	6	0	0	0
Senior Management Service Bands C	1	0	0	0
Senior Management Service Bands D	1	0	0	0
Other Contracts (Interns)	59	0	59	100
Contract (Level 1-2)	0	0	0	0
Contract (Level 3-5)	13	0	13	100
Contract (Level 6-8)	6	0	6	100
Contract (Level 9-12) Permanent	1	1	0	0
Contract Band A Permanent	1	0	0	0
Total	397	35	90	22.7

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2025 and 31 March 2026

Critical occupation	Number of employees at beginning of period- April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	30	4	5	16.7
Caretaker/ Cleaner Permanent	0	0	0	0
Cleaners In Offices Workshops Hospitals Etc. Permanent	20	4	1	5
Clerical Supplementary Workers Not Elsewhere Classified Permanent	0	0	0	0
Communication And Information Related Permanent	5	0	0	0
Communication Coordinator Permanent	1	1	0	0
Elementary Workers Not Elsewhere Classified Permanent	0	0	0	0
Filing And Registry Clerk Permanent	1	0	0	0
Finance And Economics Related Permanent	59	2	0	0
Financial And Related Professionals Permanent	29	0	1	3.4
Financial Clerks and Credit Controllers Permanent	8	0	0	0
Food Trade Assistant Permanent	1	0	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Critical occupation	Number of employees at beginning of period- April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
General Accountant Permanent	1	2	1	100
Head Of Department/Chief Executive Officer Permanent	1	0	0	0
Human Resources Related Permanent	10	1	1	10.0
Human Resources Related Learners	13	0	13	100
Information Technology Related Permanent	31	1	0	0
Internal Auditor Permanent	4	1	0	0
Legal Related Permanent	3	0	0	0
Light Vehicle Driver Permanent	6	2	2	33.3
Logistical Support Personnel Permanent	44	0	0	0
Middle Manager: Administrative Related Permanent	6	4	0	0
Middle Manager: Finance And Economics Related Permanent	2	2	2	100
Receptionist (General) Permanent	1	0	0	0
Risk Management and Security Services Permanent	5	1	0	20.0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Critical occupation	Number of employees at beginning of period- April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Risk Officer Permanent	0	1	0	0
Safety Health and Quality Inspectors Permanent	1	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	22	1	0	0
Secretary (General) Permanent	0	0	0	0
Senior Managers Permanent	25	1	0	0
Supply Chain Manager Permanent	0	1	1	0
Supply Chain Practitioner Permanent	2	2	2	100
Systems Administrator Permanent	2	0	0	0
Technic& Associate Technical Occupations Classified Permanent	4	4	2	50.0
Technical (ICT) Support Services Manager Permanent	1	0	0	0
Youth Workers Permanent	59	0	59	100
Total	397	35	90	22.7

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2025 and 31 March 2026

Termination Type	Number	% of Total Resignations
01 Death, Permanent	3	3.3
02 Resignation, Permanent	9	10.0
03 Expiry of contract	72	80.0
06 Discharged due to ill health, Permanent	0	0
09 Retirement, Permanent	6	6.7
Total	90	100
Total number of employees who left as a % of total employment		27.1

Table 3.5.4 Promotions by critical occupation for the period 1 April 2025 and 31 March 2026

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	30	2	6.7	9	30.0
Career Development Practitioner	2	0	0	2	100
Chief Financial Officer	1	0	0	1	100
Cleaners In Offices Workshops Hospitals Etc.	20	0	0	20	100
Clerical Supplementary Workers Not Elsewhere Classified	1	0	0	1	100
Communication And Information Related	5	0	0	0	0
Communication Coordinator	0	0	0	0	0
Engineering Manager	1	0	0	1	100
Filing And Registry Clerk	1	0	0	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Finance And Economics Related	59	0	0	21	35.6
Finance Manager	0	0	0	0	0
Financial Accountant	2	0	0	0	0
Financial And Related Professionals	29	0	0	0	0
Financial Clerks and Credit Controllers	11	0	0	0	0
Food Trade Assistant	1	0	0	0	0
General Accountant	1	0	0	0	0
Head Of Department/Chief Executive Officer	1	0	0	0	0
Human Resource Manager	1	0	0	1	100
Human Resource Practitioner	0	0	0	0	0
Human Resources Related	10	0	0	8	80.0
Industrial/ Labour Relations Officer	1	0	0	1	100
Information Technology Related	31	0	0	13	41.9
Internal Auditor	3	0	0	2	66.7
Legal Administration Officer	1	0	0	1	100
Legal Related	0	0	0	0	0
Light Vehicle Driver	0	0	0	0	0
Logistical Support Personnel	44	0	0	28	63.6

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Managers Not Elsewhere Classified	0	0	0	0	0
Messengers	0	0	0	0	0
Messengers Porters And Deliverers	6	1	16.7	3	50.0
Middle Manager: Administrative Related	0	0	0	0	0
Middle Manager: Finance And Economics Related	2	3	150	2	100
Middle Manager: Information Technology Related	3	0	0	3	100
Middle Manager: Internal Audit Related	1	0	0	1	100
Middle Manager: Legal Related	2	0	0	0	0
Middle Manager: Communication & Information Related	1	0	0	1	100
Office Cleaner	0	0	0	0	0
Other Middle Manager	0	0	0	0	0
Other Occupations	2	0	0	2	100
Quality Systems Manager	0	0	0	0	0
Receptionist (General)	1	0	0	1	100
Registry And Mailing Clerk	2	0	0	2	100
Risk And Integrity Manager	1	0	0	1	100

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Risk Management and Security Services	5	0	0	0	0
Safety Health and Quality Inspectors	1	0	0	0	0
Secretaries & Other Keyboard Operating Clerks	22	0	0	9	40.9
Secretary (General)	0	0	0	0	0
Senior Managers	21	0	0	8	38.1
Supply Chain Practitioner Permanent	4	0	0	0	0
Technic& Associate Technical Occupations Not Classified	7	1	14.3	7	100
Technical (ICT) Support Services Manager	0	0	0	0	0
Transport Clerk	1	0	0	1	100
Youth Workers	59	0	0	0	0
Total	397	7	1.8	150	37.8

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2026

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Level 1-2), Permanent	19	0	0	11	57.9
Skilled (Level 3-5), Permanent	35	1	2.9	17	48.6
Highly Skilled Production (Level 6-8), Permanent	98	0	0	58	59.2
Highly Skilled Supervision (Level 9-12), Permanent	143	6	4.2	55	38.5
Senior Management (Level >= 13), Permanent	21	0	0	9	42.9
Youth Workers (Interns)	59	0	0	0	0
Contract (Level 3-5),	13	0	0	0	0
Contract (Level 6-8),	7	0	0	0	0
Contract (Level 9-12),	1	0	0	0	0
Contract (Level >= 13),	1	0	0	0	0
Total	397	7	1.8	150	37.8

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	1	0	0	0	2
Professionals	35	1	0	1	27	0	0	0	64
Technicians and associate professionals	34	0	0	1	37	0	1	0	73
Clerks	9	0	0	0	24	0	0	0	33
Labourers and Related Workers	4	0	0	0	5	0	0	0	9
Managers	44	1	1	3	59	0	1	2	111
Craft and related trades workers									
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	14	0	0	0	26	0	0	0	35
Total	141	2	1	5	179	0	2	2	332
Employees with disabilities	5	0	0	0	1	0	0	0	6

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	9	0	1	1	7	0	0	2	20
Professionally qualified and experienced specialists and mid-management	70	1	0	4	71	0	0	0	146
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	42	1	0	0	55	0	1	0	99
Semi-skilled and discretionary decision making	9	0	0	0	27	0	0	0	36
Unskilled and defined decision making	7	0	0	0	16	0	0	0	23
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally Qualified)	1	0	0	0	0	0	1	0	2
Contract (Skilled Technical)	0	0	0	0	1	0	0	0	1
Contract (Semi-Skilled)	1	0	0	0	1	0	0	0	2
Total	141	2	1	5	179	0	2	2	332

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.6.3 Recruitment for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	4	0	1	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	0	0	0	6	0	0	0	20
Semi-skilled and discretionary decision making	2	0	0	0	1	0	0	0	3
Unskilled and defined decision making	2	0	0	0	2	0	0	0	4
Total	21	0	0	0	13	0	1	0	35
Employees with disabilities	0	0	0	0	0	0	0	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.6.4 Promotions for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	2	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	3	0	0	0	0	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	0	0	0	2	0	0	0	7
Employees with disabilities	0	0	0	0	0	0	0	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.6.5 Terminations for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	3	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	3	0	0	0	6
Semi-skilled and discretionary decision making	2	0	0	0	1	0	0		3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract, Interns	12	0	0	0	47	0	0		59
Contract (Professionally qualified),	3	0	0	0	3	0	0	0	6
Contract (Skilled technical),	0	0	0	0	13	0	0	0	13
Total	23	0	0	0	67	0	0	0	90
Employees with Disabilities	0	0	0	0	0	0	0	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.6.6 Disciplinary action for the period 1 April 2025 to 31 March 2026

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Case Withdrawn	1	0	0	0	0	0	0	0	1
Total	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2025 to 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	0	1	1	10	0	0	1	18
Professionals	21	0	0	0	19	0	0	0	40
Technicians and associate professionals	19	0	0	0	10	0	0	0	29
Clerks	8	0	0	0	4	0	0	0	12
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Interns	18	0	0	0	4	0	0	0	22
Elementary occupations	2	0	0	0	2	0	0	0	4
Total	73	0	1	1	49	0	0	1	125
Employees with disabilities	0	0	0	0	0	0	0	0	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2025

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General / Head of Department	1	1	1	100
Salary Levels 16	0	0	0	0
Salary Levels 15	0	0	0	0
Salary Levels 14	3	3	3	100
Salary Levels 13	17	17	17	100
Total	21	21	21	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2026

Reasons
Not applicable

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2026

Reasons
Not applicable

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.8 PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2025 to 31 March 2026

Performance Rewards by race, gender and disability	Not applicable
--	----------------

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2025 to 31 March 2026

Performance Rewards by salary band for personnel below Senior Management Service	Not applicable
--	----------------

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2025 to 31 March 2026

Performance Rewards by critical occupation	Not applicable
--	----------------

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2025 to 31 March 2026

Performance related rewards (cash bonus), by salary band for Senior Management Service	Not applicable
--	----------------

3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 foreign workers by salary band for the period 1 April 2025 and 31 March 2026

Foreign workers by salary band	Not applicable
--------------------------------	----------------

Table 3.9.2 foreign workers by major occupation for the period 1 April 2025 and 31 March 2026

Foreign workers by major occupation	Not applicable
-------------------------------------	----------------

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.10 LEAVE UTILISATION

Table 3.10.1 Sick leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Levels 1-2)	211	92.4	14	6.3	15	160
Skilled (Level 3-5)	169	84.0	24	10.8	7	202
Highly skilled production (Level 6-8)	584	79.8	71	31.8	8	1 164
Highly skilled supervision (Level 9 -12)	582	86.6	83	37.2	7	2 202
Top and Senior management (Level 13-16)	89	91.0	11	4.9	8	501
Contract (Level 3-5)	11	63.6	2	0.9	6	3
Contract (Level 6-8)	8	50.0	4	1.8	2	3
Contract Other	41	63.4	14	6.3	3	10
Total	1 695	84.1	223	100	8	4 245

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Level 1-2)	0	0	0	0	0	0
Skilled (Level 3-5)	0	0	0	0	0	0
Highly skilled production (Level 6-8)	0	0	0	0	0	0
Highly skilled supervision (Level 9-12)	0	0	0	0	0	0
Senior management (Level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.10.3 Annual Leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Level 1-2)	377	20	19
Skilled (Level 3-5)	879	37	24
Highly skilled production (Level 6-8)	2 302	104	22
Highly skilled supervision (Level 9-12)	3 846	150	26
Senior management (Level 13-16)	552	20	28
Contract (Level 3-5)	137	12	11
Contract (Level 6-8)	171	10	17
Contract (Level 9-12)	18	1	18
Contract Other	926	62	15
Total	9 208	416	22

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.10.4 Capped leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2026
Lower skilled (Level 1-2)	0	0	0	0
Skilled Level 3-5)	0	0	0	49
Highly skilled production (Level 6-8)	0	0	0	41
Highly skilled supervision (Level 9-12)	0	0	0	48
Senior management (Level 13-16)	0	0	0	58
Total	0	0	0	47

Table 3.10.5 Leave pay-outs for the period 1 April 2025 and 31 March 2026

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual -Discounting with Resignation (Workdays)	22	1	22
Annual - Discounting: Contract Expiry (Workdays)	51	16	3 188
Annual - Gratuity: Death/Retirement/Medical Retirement (Work	428	8	53 500
Capped - Gratuity: Death/Retirement/Medical Retirement (Work	445	5	89 000
TOTAL	946	30	31 533

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	N/A

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1) Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Ms C Nkonyane : Senior Manager
2) Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Two (2) employees are involved in the task of promoting the health and well-being of employees. R1 500 000 (shared by 2 sub-units, that is GFP and EHW)
3) Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		The Department issued pamphlets on STIs, healthy lifestyle and heart awareness. The Department has a partnership with mental and social health institutions for referrals. (Akeso). Debriefing sessions (grief counselling, trauma support and mental health services).
4) Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		Ms T Tetana Ms ZG Nkosi Ms EY Mnisi Ms XN Nkumane Ms YM Bahula Ms GM Manganye Ms P Shikwambane Mr TD Mdluli Mr MJ Ndlovu Mr DA Chiloane Mr A Zulu

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Question	Yes	No	Details, if yes
5) Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		HIV/AIDS & TB Management policy
6) Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>The Department has incorporated the clause in the HIV/AIDS policy prohibiting discrimination among employees respectively.</p> <ul style="list-style-type: none"> • HIV/AIDS awareness and education program • Medical information is shared amongst • The Department has a close support group specifically for HIV/AIDS employees. <p>The Department allows employees to attend meetings, workshops and seminars to external stakeholders (TAC, NAPWA, AIDS Council) for capacity and more information on HIV/AIDS.</p>
7) Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		<ul style="list-style-type: none"> • Treatment adherence • Increased number of officials who have opened up on their HIV status. • Ongoing support
8) Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		✓	<ul style="list-style-type: none"> • Number of officials consulting the unit. • Developed trust, allowing the unit to conduct home visits for affected officials.

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2025 and 31 March 2026

Subject matter	Date
None	Not applicable
Total number of Collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2025 and 31 March 2026

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	1	100
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	1	100
Total	2	100

Total number of Disciplinary hearings finalised	1
--	----------

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 and 31 March 2026

Type of misconduct	Number	% of total
Failure to exercise due diligence and ensure compliance with regulations during the execution of official duties	1	100
Total	01	100

Table 3.12.4 Grievances logged for the period 1 April 2025 and 31 March 2026

Grievances	Number	% of Total
Number of grievances resolved	01	100
Number of grievances not resolved	0	0
Total number of grievances lodged	01	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2025 and 31 March 2026

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

Table 3.12.6 Strike actions for the period 1 April 2025 and 31 March 2026

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2025 and 31 March 2026

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.13 SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development. t.

Table 3.13.1 Training needs identified for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	15	0	15
	Male	12	0	32	0	32
Professionals 9-12	Female	75	0	15	0	15
	Male	69	0	32	0	32
Technicians and associate professionals 6-8	Female	60	0	13	0	13
	Male	45	0	17	0	17
Clerks 3-5	Female	11	0	2	0	2
	Male	37	0	8	0	8
Elementary occupations 2	Female	7	0	0	0	0
	Male	12	0	7	0	7
Interns	Female	15	0	30	0	30
	Male	44	0	0	0	0
Sub Total	Female	178	0	75	0	0
	Male	219	0	96	0	0
Total		397	0	171	0	171

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.13.2 Training provided for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	11	0	11
	Male	12	0	7	0	7
Professionals	Female	75	0	19	0	19
	Male	69	0	21	0	21
Technicians and associate professionals	Female	60	0	10	0	10
	Male	45	0	19	0	19
Clerks	Female	11	0	4	0	4
	Male	37	0	8	0	8
Elementary occupations	Female	7	0	2	0	2
	Male	12	0	2	0	2
Interns	Female	15	0	4	0	4
	Male	44	0	18	0	18
Sub Total	Female	178	0	50	0	50
	Male	219	0	75	0	75
Total		397	0	125	0	125

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2025 and 31 March 2026

Nature of injury on duty	Number	% of total
Required basic medical attention only	01	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	1	100

3.15 UTILISATION OF CONSULTANTS

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 and 31 March 2026

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A			

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2025 and 31 March 2026

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A			

Project title	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A			

2. OVERVIEW OF HUMAN RESOURCES CONTINUED

3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2025 and 31 March 2026

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Level 1-2)	0	0	0	0
Skilled (Level 3-5)	0	0	0	0
Highly skilled production (Level 6-8)	0	0	0	0
Highly skilled supervision (Level 9-12)	0	0	0	0
Senior management (Level 13-16)	0	0	0	0
Total	0	0	0	0
Granting of employee-initiated severance packages				None

PART E



PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure	None
Reconciling notes	None
b) Details of irregular expenditure (under assessment, determination, and investigation)	None
c) Details of irregular expenditure condoned	None
Provincial Treasury did not incur any Irregular, Fruitless and Wasteful, Unauthorised Expenditure for the 2024/2025 and 2025/2026 Financial Years	

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	3 238	315 907
Invoices paid within 30 days or agreed period	3 238	315 907
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

3. INFORMATION ON SUPPLY CHAIN MANAGEMENT

2.1 PROCUREMENT BY OTHER MEANS

There were no procurement by other means during the financial year under review.

2.2 CONTRACT VARIATIONS AND EXPANSIONS

There were no contract variations or expansions during the financial year under review.

PART F



FINANCIAL INFORMATION



CONTENTS

ANNUAL REPORT 2025/26

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

REPORT OF THE AUDITOR-GENERAL	138 - 145
APPROPRIATION STATEMENT	146 - 179
NOTES TO THE APPROPRIATION STATEMENT	180
STATEMENT OF FINANCIAL PERFORMANCE	181
STATEMENT OF FINANCIAL POSITION	182
STATEMENT OF CHANGES IN NET ASSETS	183
CASH FLOW STATEMENT	184
ACCOUNTING POLICIES	185 - 192
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	193 - 206
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS	207 - 213

Report of the auditor-general to the Mpumalanga Provincial Legislature on Vote no. 3: Mpumalanga Provincial Treasury

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mpumalanga Provincial Treasury as set out on pages 146 to 206, which comprise the appropriation statement, statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mpumalanga Provincial Treasury as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act No. 2 of 2025 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and the Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the provincial treasury's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations or has no realistic alternative but to do so.

1. REPORT OF THE AUDITOR-GENERAL CONTINUED

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 143, forms part of my auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2026. I selected programmes that measure the provincial treasury's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2 – Sustainable Resource Management	38 - 43	The programme exists to promote optimal and effective provincial and municipal fiscal policy in line with applicable financial management prescripts
Programme 3 – Assets and Liabilities Management	44 - 49	The programme is responsible for monitoring and supporting assets, liabilities, supply chain management, as well as provisioning of transversal systems and information technology services to departments, public entities and municipalities in Mpumalanga
Programme 4 – Financial Governance	50 - 55	This programme serves to facilitate, monitor, support and provide professional advice to ensure good governance in the province

1. REPORT OF THE AUDITOR-GENERAL CONTINUED

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

I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets
13. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
14. I did not identify any material findings on the reported performance information for the selected programmes.

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

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



1. REPORT OF THE AUDITOR-GENERAL CONTINUED

Report on compliance with legislation

17. 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 provincial treasury's compliance with legislation.
18. 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.
19. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
20. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

21. 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 the selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
22. 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.
23. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. If, based on the work I have performed, I conclude that there is a material misstatement in this other information; I am required to report that fact.
25. I have nothing to report in this regard.

1. REPORT OF THE AUDITOR-GENERAL CONTINUED

Internal control deficiencies

26. 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.
27. I did not identify any significant deficiencies in internal control.



Auditor-General

Mbombela

31 July 2026



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the provincial treasury's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

ANNEXURE TO THE AUDITOR'S REPORT CONTINUED

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h) (iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1 (a); 6.3.1 (b); 6.3.1 (c); 6.3.1 (d); 6.4.1 (b); 7.2.1; 8.1.1; 8.2.1; 8.2.3; 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); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Division of Revenue Act 24 of 2024	Sections 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
Public Service Regulations	Public Service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	Section 29; Section 34(1)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulations 17; 25(1); 25 (5) & 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2017 (PPR)	Paragraphs 4.1; 4.2 Paragraphs 5.1; 5.3; 5.6; 5. 7 Paragraphs 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraphs 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraphs 8.2; 8.5 Paragraphs 9.1; 9.2 Paragraphs 10.1; 10.2 Paragraphs 11.1; 11.2 Paragraphs 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraphs 4.1; 4.2; 4.3; 4.4 Paragraphs 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998 (Sita Act)	Section 7(3) Section 7(6)(b) Section 20(1)(a)(l)
Sita regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2

ANNEXURE TO THE AUDITOR'S REPORT CONTINUED

Legislation	Sections or regulations
PFMA SCM Instruction No. 09 of 2022/23	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1 ;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM Instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
NT Instruction Note 4 of 2015/16	Paragraph 3.4
NT Instruction 3 of 2019/20 - Annexure A	Section 5.5.1(iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9; 5.1; 5.3
Erratum NTI 5 of 2020/21	Paragraph 1
Erratum NTI 5 of 2020/21	Paragraph 2
Practice Note 7 of 2009/10	Paragraph 4.1.2
Practice Note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT Instruction Note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30(l)

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

PART F: FINANCIAL INFORMATION

Figures in Rand thousand									
2025/2026									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per programme									
Programme									
1 Administration	170 595	-	-	170 595	166 363	4 232	97,5%	145 453	143 777
2 Sustainable Resource Management	80 064	-	-	80 064	79 863	201	99,7%	72 184	71 647
3 Asset and Liabilities Management	364 704	-	-	364 704	352 539	12 165	96,7%	339 788	305 586
4 Financial Governance	32 131	-	-	32 131	32 078	53	99,8%	28 953	28 731
Programme sub total	647 494	-	-	647 494	630 843	16 651	97,4%	586 378	549 741
Programme sub total	647 494	-	-	647 494	630 843	16 651	97,4%	586 378	549 741
Total	647 494	-	-	647 494	630 843	16 651	97,4%	586 378	549 741
Reconciliation with statement of financial performance									
Add:									
Departmental revenue				609,585				301,987	
Actual amounts per statement of financial performance (total revenue)				1,257,079				888,365	
Actual expenditure					630,843				549,741
Add:									
Actual amounts per statement of financial performance (total expenditure)					630,843				549,741

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	218,885	-	-	218,885	218,373	512	99.77 %	201,931	201,948
Social contributions	36,157	-	-	36,157	35,838	319	99.12 %	32,147	32,005
	255,042	-	-	255,042	254,211	831	99.67 %	234,078	233,953
Goods and services									
Administrative fees	1,659	-	-	1,659	1,752	(93)	105.61 %	1,455	1,297
Advertising	768	-	-	768	1,097	(329)	142.84 %	1,410	1,163
Minor assets	359	-	-	359	119	240	33.15 %	81	76
Audit costs: External	6,946	-	-	6,946	7,553	(607)	108.74 %	6,486	6,486
Catering: Departmental activities	2,178	-	-	2,178	2,289	(111)	105.10 %	1,158	1,158
Communication	7,438	-	-	7,438	7,903	(465)	106.25 %	7,530	7,529
Computer services	255,835	-	-	255,835	243,908	11,927	95.34 %	214,217	180,650
Consultants: Business and advisory services	4,969	-	-	4,969	3,938	1,031	79.25 %	3,159	2,990
Legal services	70	-	-	70	-	70	- %	-	-
Contractors	1,026	-	-	1,026	3,076	(2,050)	299.81 %	15,773	16,912
Agency and support / outsourced services	192	-	-	192	125	67	65.10 %	-	-
Fleet services	2,804	-	-	2,804	2,659	145	94.83 %	3,522	3,522
Consumable supplies	2,911	-	-	2,911	3,629	(718)	124.67 %	3,146	2,899
Consumable: Stationery, printing and office supplies	2,158	-	-	2,158	3,075	(917)	142.49 %	2,195	2,152
Operating leases	8,732	-	-	8,732	9,110	(378)	104.33 %	8,829	8,823
Property payments	5,178	-	-	5,178	4,229	949	81.67 %	7,334	7,015
Transport provided: Departmental activity	77	-	-	77	-	77	- %	19	-
Travel and subsistence	30,027	-	-	30,027	30,149	(122)	100.41 %	23,038	21,900
Training and development	4,557	-	-	4,557	4,097	460	89.91 %	1,121	1,120

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Operating payments	1,077	-	-	1,077	919	158	85.33 %	2,182	897
Venues and facilities	2,627	-	-	2,627	3,016	(389)	114.81 %	3,275	3,156
	341,588	-	-	341,588	332,643	8,945	97.38 %	305,930	269,745
Compensation of employees	255,042	-	-	255,042	254,211	831	99.67 %	234,078	233,953
Goods and services	341,588	-	-	341,588	332,643	8,945	97.38 %	305,930	269,745
Total current payments	596,630	-	-	596,630	586,854	9,776	98.36 %	540,008	503,698
Transfers and subsidies									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds	58	-	-	58	24	34	41.38 %	56	46
Municipalities									
Municipal bank accounts	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
Provinces	58	-	-	58	24	34	41.38 %	56	46
Municipalities	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
Provinces and municipalities subtotal	11,863	-	-	11,863	11,829	34	99.71 %	10,324	10,314
Departmental agencies and accounts									
Departmental agencies (non-business entities)	849	-	-	849	857	(8)	100.94 %	764	764
Households									
Social benefits	955	-	-	955	960	(5)	100.52 %	793	793
Other transfers to households	213	-	-	213	179	34	84.04 %	-	-
	1,168	-	-	1,168	1,139	29	97.52 %	793	793
Provinces and municipalities	11,863	-	-	11,863	11,829	34	99.71 %	10,324	10,314
Departmental agencies and accounts	849	-	-	849	857	(8)	100.94 %	764	764
Households	1,168	-	-	1,168	1,139	29	97.52 %	793	793

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Total transfers and subsidies	13,880	-	-	13,880	13,825	55	99.60 %	11,881	11,871
Payments for capital assets									
Machinery and equipment	7,600	-	-	7,600	7,610	(10)	100.13 %	2,175	2,175
Transport equipment	24,199	-	-	24,199	16,971	7,228	70.13 %	21,163	20,846
Other machinery and equipment	31,799	-	-	31,799	24,581	7,218	77.30 %	23,338	23,021
Software and other intangible assets	5,155	-	-	5,155	5,556	(401)	107.78 %	11,151	11,151
Machinery and equipment	31,799	-	-	31,799	24,581	7,218	77.30 %	23,338	23,021
Intangible assets	5,155	-	-	5,155	5,556	(401)	107.78 %	11,151	11,151
Total payments for capital assets	36,954	-	-	36,954	30,137	6,817	81.55 %	34,489	34,172
Payments for financial assets	30	-	-	30	27	3	90.00 %	-	-
Total current payments	596,630	-	-	596,630	586,854	9,776	98.36 %	540,008	503,698
Total transfers and subsidies	13,880	-	-	13,880	13,825	55	99.60 %	11,881	11,871
Total payments for capital assets	36,954	-	-	36,954	30,137	6,817	81.55 %	34,489	34,172
Total payments for financial assets	30	-	-	30	27	3	90.00 %	-	-
Total	647,494	-	-	647,494	630,843	16,651	97.43 %	586,378	549,741

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand		2025/2026						2024/2025			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
1. ADMINISTRATION											
Sub programme											
Member of the Executive Council	1.1	14,131	-	-	14,131	14,128	3	99.98 %	6,613	6,593	
Management Services 1.2		63,753	-	-	63,753	63,460	293	99.54 %	62,510	61,979	
Financial Management 1.3		86,440	-	-	86,440	82,640	3,800	95.60 %	70,260	69,366	
Internal Audit 1.4		6,271	-	-	6,271	6,135	136	97.83 %	6,070	5,839	
Subtotal		170,595	-	-	170,595	166,363	4,232	97.52 %	145,453	143,777	
Economic classification											
Current payments											
Compensation of employees											
Salaries and wages		75,739	-	-	75,739	75,338	401	99.47 %	70,552	70,569	
Social contributions		13,590	-	-	13,590	13,376	214	98.43 %	11,671	11,720	
		89,329	-	-	89,329	88,714	615	99.31 %	82,223	82,289	
Goods and services											
Administrative fees		980	-	-	980	1,082	(102)	110.41 %	954	857	
Advertising		762	-	-	762	1,097	(335)	143.96 %	1,410	1,163	
Minor assets		359	-	-	359	113	246	31.48 %	58	53	
Audit costs: External		6,946	-	-	6,946	7,553	(607)	108.74 %	6,486	6,486	
Catering: Departmental activities		1,577	-	-	1,577	1,710	(133)	108.43 %	735	748	
Communication		5,094	-	-	5,094	5,390	(296)	105.81 %	5,483	5,471	
Computer services		55	-	-	55	53	2	96.36 %	27	-	
Consultants: Business and advisory services		1,969	-	-	1,969	1,598	371	81.16 %	559	390	
Legal services		70	-	-	70	-	70	- %	-	-	
Contractors		334	-	-	334	112	222	33.53 %	3,281	3,252	
Agency and support / outsourced services		192	-	-	192	125	67	65.10 %	-	-	
Fleet services		2,804	-	-	2,804	2,659	145	94.83 %	3,522	3,522	
Consumable supplies		2,911	-	-	2,911	2,803	108	96.29 %	2,409	2,162	

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Consumable: Stationery, printing and office supplies	2,158	-	-	2,158	3,075	(917)	142.49 %	2,195	2,152
Operating leases	8,732	-	-	8,732	9,110	(378)	104.33 %	8,829	8,823
Property payments	5,178	-	-	5,178	4,230	948	81.69 %	7,334	7,015
Transport provided: Departmental activity	55	-	-	55	-	55	- %	-	-
Travel and subsistence	14,485	-	-	14,485	14,186	299	97.94 %	10,128	9,769
Training and development	2,798	-	-	2,798	2,784	14	99.50 %	954	955
Operating payments	589	-	-	589	408	181	69.27 %	592	476
Venues and facilities	1,403	-	-	1,403	1,334	69	95.08 %	2,495	2,441
	59,451	-	-	59,451	59,422	29	99.95 %	57,451	55,735
Compensation of employees	89,329	-	-	89,329	88,714	615	99.31 %	82,223	82,289
Goods and services	59,451	-	-	59,451	59,422	29	99.95 %	57,451	55,735
Total current payments	148,780	-	-	148,780	148,136	644	99.57 %	139,674	138,024
Transfers and subsidies									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds	58	-	-	58	24	34	41.38 %	56	46
Provinces	58	-	-	58	24	34	41.38 %	56	46
Departmental agencies and accounts	849	-	-	849	857	(8)	100.94 %	764	764
Households	532	-	-	532	531	1	99.81 %	26	26
Provinces and municipalities	58	-	-	58	24	34	41.38 %	56	46
Departmental agencies and accounts	849	-	-	849	857	(8)	100.94 %	764	764
Households	532	-	-	532	531	1	99.81 %	26	26
Total transfers and subsidies	1,439	-	-	1,439	1,412	27	98.12 %	846	836
Payments for financial assets	-	-	-	-	1	(1)	- %	-	-
Total current payments	148,780	-	-	148,780	148,136	644	99.57 %	139,674	138,024
Total transfers and subsidies	1,439	-	-	1,439	1,412	27	98.12 %	846	836
Total payments for capital assets	20,376	-	-	20,376	16,814	3,562	82.52 %	4,933	4,9
Total payments for financial assets	-	-	-	-	1	(1)	- %	-	-
Total	170,595	-	-	170,595	166,363	4,232	97.52 %	145,453	143,777

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand									
2025/2026									
2024/2025									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.1 Member of Executive Council									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	6,456	-	-	6,456	6,455	1	99.98 %	4,432	4,426
Social contributions	733	-	-	733	733	-	100.00 %	519	524
	7,189	-	-	7,189	7,188	1	99.99 %	4,951	4,950
Goods and services									
Administrative fees	282	-	-	282	392	(110)	139.01 %	96	61
Catering: Departmental activities	982	-	-	982	1,182	(200)	120.37 %	181	181
Communication	143	-	-	143	143	-	100.00 %	21	37
Contractors	-	-	-	-	-	-	- %	5	5
Consumable supplies	-	-	-	-	-	-	- %	29	29
Travel and subsistence	5,032	-	-	5,032	4,872	160	96.82 %	1,214	1,214
Training and development	35	-	-	35	35	-	100.00 %	-	-
Operating payments	34	-	-	34	34	-	100.00 %	33	33
Venues and facilities	403	-	-	403	253	150	62.78 %	83	83
	6,911	-	-	6,911	6,911	-	100.00 %	1,662	1,643
Compensation of employees	7,189	-	-	7,189	7,188	1	99.99 %	4,951	4,950
Goods and services	6,911	-	-	6,911	6,911	-	100.00 %	1,662	1,643
Total current payments	14,100	-	-	14,100	14,099	1	99.99 %	6,613	6,593
Transfers and subsidies									
Households									
Social benefits	11	-	-	11	9	2	81.82 %	-	-
Other transfers to households	20	-	-	20	20	-	100.00 %	-	-
	31	-	-	31	29	2	93.55 %	-	-
Households	31	-	-	31	29	2	93.55 %	-	-
Total current payments	14,100	-	-	14,100	14,099	1	99.99 %	6,613	6,593
Total transfers and subsidies	31	-	-	31	29	2	93.55 %	-	-
Total	14,131	-	-	14,131	14,128	3	99.98 %	6,613	6,593

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026					2024/2025			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.2 Management Services									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	40,063	-	-	40,063	39,820	243	99.39 %	39,474	39,480
Social contributions	7,553	-	-	7,553	7,516	37	99.51 %	6,460	6,505
	47,616	-	-	47,616	47,336	280	99.41 %	45,934	45,985
Goods and services									
Administrative fees	465	-	-	465	441	24	94.84 %	509	480
Advertising	762	-	-	762	1,097	(335)	143.96 %	1,410	1,163
Catering: Departmental activities	550	-	-	550	515	35	93.64 %	437	480
Communication	476	-	-	476	746	(270)	156.72 %	564	581
Consultants: Business and advisory services	1,544	-	-	1,544	1,163	381	75.32 %	210	187
Legal services	70	-	-	70	-	70	- %	-	-
Contractors	102	-	-	102	51	51	50.00 %	3,249	3,225
Agency and support / outsourced services	67	-	-	67	-	67	- %	-	-
Consumable supplies	590	-	-	590	733	(143)	124.24 %	451	451
Consumable: Stationery, printing and office supplies	234	-	-	234	203	31	86.75 %	14	27
Property payments	-	-	-	-	45	(45)	- %	34	34
Transport provided: Departmental activity	55	-	-	55	-	55	- %	-	-
Travel and subsistence	6,522	-	-	6,522	6,333	189	97.10 %	5,964	5,767
Training and development	2,274	-	-	2,274	2,332	(58)	102.55 %	866	866
Operating payments	300	-	-	300	235	65	78.33 %	474	385
Venues and facilities	882	-	-	882	988	(106)	112.02 %	1,604	1,558
	14,893	-	-	14,893	14,882	11	99.93 %	15,786	15,204
Compensation of employees	47,616	-	-	47,616	47,336	280	99.41 %	45,934	45,985

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.2 Management Services (continued)									
Goods and services	14,893	-	-	14,893	14,882	11	99.93 %	15,786	15,204
Total current payments	62,509	-	-	62,509	62,218	291	99.53 %	61,720	61,189
Transfers and subsidies									
Departmental agencies and accounts	849	-	-	849	849	-	100.00 %	764	764
Households									
Social benefits	202	-	-	202	233	(31)	115.35 %	26	26
Other transfers to households	193	-	-	193	159	34	82.38 %	-	-
	395	-	-	395	392	3	99.24 %	26	26
Departmental agencies and accounts	849	-	-	849	849	-	100.00 %	764	764
Households	395	-	-	395	392	3	99.24 %	26	26
Total transfers and subsidies	1,244	-	-	1,244	1,241	3	99.76 %	790	790
Payments for financial assets	-	-	-	-	1	(1)	- %	-	-
Total current payments	62,509	-	-	62,509	62,218	291	99.53 %	61,720	61,189
Total transfers and subsidies	1,244	-	-	1,244	1,241	3	99.76 %	790	790
Total payments for financial assets	-	-	-	-	1	(1)	- %	-	-
Total	63,753	-	-	63,753	63,460	293	99.54 %	62,510	61,979

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.3 Financial Management									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	24,740	-	-	24,740	24,639	101	99.59 %	22,130	22,153
Social contributions	4,643	-	-	4,643	4,530	113	97.57 %	4,007	4,001
	29,383	-	-	29,383	29,169	214	99.27 %	26,137	26,154
Goods and services									
Administrative fees	208	-	-	208	227	(19)	109.13 %	331	301
Minor assets	359	-	-	359	113	246	31.48 %	58	53
Audit costs: External	6,946	-	-	6,946	7,553	(607)	108.74 %	6,486	6,486
Catering: Departmental activities	35	-	-	35	3	32	8.57 %	115	85
Communication	4,390	-	-	4,390	4,427	(37)	100.84 %	4,826	4,781
Consultants: Business and advisory services	38	-	-	38	55	(17)	144.74 %	40	53
Contractors	232	-	-	232	61	171	26.29 %	27	22
Agency and support / outsourced services	125	-	-	125	125	-	100.00 %	-	-
Fleet services	2,804	-	-	2,804	2,659	145	94.83 %	3,522	3,522
Consumable supplies	2,321	-	-	2,321	2,070	251	89.19 %	1,929	1,682
Consumable: Stationery, printing and office supplies	1,924	-	-	1,924	2,872	(948)	149.27 %	2,173	2,117
Operating leases	8,732	-	-	8,732	9,110	(378)	104.33 %	8,829	8,823
Property payments	5,178	-	-	5,178	4,185	993	80.82 %	7,300	6,981
Travel and subsistence	2,538	-	-	2,538	2,601	(63)	102.48 %	2,613	2,493
Training and development	349	-	-	349	280	69	80.23 %	27	27
Operating payments	220	-	-	220	81	139	36.82 %	50	23
Venues and facilities	118	-	-	118	93	25	78.81 %	808	800
	36,517	-	-	36,517	36,515	2	99.99 %	39,134	38,249
Compensation of employees	29,383	-	-	29,383	29,169	214	99.27 %	26,137	26,154

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026							2024/2025	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.3 Financial Management (continued)									
Goods and services	36,517	-	-	36,517	36,515	2	99.99 %	39,134	38,249
Total current payments	65,900	-	-	65,900	65,684	216	99.67 %	65,271	64,403
Transfers and subsidies									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds	58	-	-	58	24	34	41.38 %	56	46
Provinces	58	-	-	58	24	34	41.38 %	56	46
Departmental agencies and accounts	-	-	-	-	8	(8)	(100.00)%	-	-
Households									
Social benefits	106	-	-	106	110	(4)	103.77 %	-	-
Provinces and municipalities	58	-	-	58	24	34	41.38 %	56	46
Departmental agencies and accounts	-	-	-	-	8	(8)	(100.00)%	-	-
Households	106	-	-	106	110	(4)	103.77 %	-	-
Total transfers and subsidies	164	-	-	164	142	22	86.59 %	56	46
Payments for capital assets									
Machinery and equipment									
Transport equipment	7,600	-	-	7,600	7,610	(10)	100.13 %	2,175	2,175
Other machinery and equipment	12,776	-	-	12,776	9,204	3,572	72.04 %	2,758	2,742
Machinery and equipment	20,376	-	-	20,376	16,814	3,562	82.52 %	4,933	4,917
Machinery and equipment	20,376	-	-	20,376	16,814	3,562	82.52 %	4,933	4,917
Total current payments	65,900	-	-	65,900	65,684	216	99.67 %	65,271	64,403
Total transfers and subsidies	164	-	-	164	142	22	86.59 %	56	46
Total payments for capital assets	20,376	-	-	20,376	16,814	3,562	82.52 %	4,933	4,917
Total	86,440	-	-	86,440	82,640	3,800	95.60 %	70,260	69,366

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026							2024/2025	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.4 Internal Audit									
Economic classification									
Current payments									
Compensation of employees	4,480	-	-	4,480	4,424	56	98.75 %	4,516	4,510
Salaries and wages	661	-	-	661	597	64	90.32 %	685	690
Social contributions									
	5,141	-	-	5,141	5,021	120	97.67 %	5,201	5,200
Goods and services									
Administrative fees	25	-	-	25	22	3	88.00 %	18	15
Catering: Departmental activities	10	-	-	10	10	-	100.00 %	2	2
Communication	85	-	-	85	74	11	87.06 %	72	72
Computer services	55	-	-	55	53	2	96.36 %	27	-
Consultants: Business and advisory services	387	-	-	387	380	7	98.19 %	309	150
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	- %	8	8
Travel and subsistence	393	-	-	393	380	13	96.69 %	337	295
Training and development	140	-	-	140	137	3	97.86 %	61	62
Operating payments	35	-	-	35	58	(23)	165.71 %	35	35
	1,130	-	-	1,130	1,114	16	98.58 %	869	639
Compensation of employees	5,141	-	-	5,141	5,021	120	97.67 %	5,201	5,200
Goods and services	1,130	-	-	1,130	1,114	16	98.58 %	869	639
Total current payments	6,271	-	-	6,271	6,135	136	97.83 %	6,070	5,839
Total current payments	6,271	-	-	6,271	6,135	136	97.83 %	6,070	5,839
Total	6,271	-	-	6,271	6,135	136	97.83 %	6,070	5,839

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

PART F: FINANCIAL INFORMATION

Figures in Rand thousand		2025/2026						2024/2025		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2. SUSTAINABLE RESOURCES MANAGEMENT										
Sub programme										
		2,872	-	-	2,872	2,822	50	98.26 %	2,351	2,328
	Programme Support 2.1	15,447	-	-	15,447	15,381	66	99.57 %	14,124	14,035
	Provincial Admin Fiscal Discipline	17,140	-	-	17,140	17,125	15	99.91 %	16,076	15,846
	Budget and Expenditure	37,085	-	-	37,085	37,083	2	99.99 %	32,185	32,045
	Municipal Finance	7,520	-	-	7,520	7,452	68	99.10 %	7,448	7,393
	Infrastructure Coordination									
	Subtotal	80,064	-	-	80,064	79,863	201	99.75 %	72,184	71,647
Economic classification										
Current payments										
Compensation of employees										
	Salaries and wages	52,510	-	-	52,510	52,441	69	99.87 %	50,009	50,009
	Social contributions	7,217	-	-	7,217	7,150	67	99.07 %	6,766	6,765
		59,727	-	-	59,727	59,591	136	99.77 %	56,775	56,774
Goods and services										
	Administrative fees	171	-	-	171	178	(7)	104.09 %	118	100
	Catering: Departmental activities	308	-	-	308	298	10	96.75 %	179	167
	Communication	858	-	-	858	860	(2)	100.23 %	731	761
	Consultants: Business and advisory services	2,077	-	-	2,077	2,077	-	100.00 %	87	87
	Travel and subsistence	3,794	-	-	3,794	3,799	(5)	100.13 %	3,395	3,073
	Training and development	322	-	-	322	313	9	97.20 %	10	10
	Operating payments	255	-	-	255	227	28	89.02 %	271	86
	Venues and facilities	485	-	-	485	482	3	99.38 %	277	248
		8,270	-	-	8,270	8,234	36	99.56 %	5,068	4,532
	Compensation of employees	59,727	-	-	59,727	59,591	136	99.77 %	56,775	56,774
	Goods and services	8,270	-	-	8,270	8,234	36	99.56 %	5,068	4,532
	Total current payments	67,997	-	-	67,997	67,825	172	99.75 %	61,843	61,306

APPROPRIATION STATEMENT CONTINUED
FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transfers and subsidies									
Provinces and municipalities									
Municipalities									
Municipal bank accounts	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
Municipalities	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
Households									
Provinces and municipalities	262	-	-	262	233	29	88.93 %	73	73
Households	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
	262	-	-	262	233	29	88.93 %	73	73
Total transfers and subsidies	12,067	-	-	12,067	12,038	29	99.76 %	10,341	10,341
Total current payments	67,997	-	-	67,997	67,825	172	99.75 %	61,843	61,306
Total transfers and subsidies	12,067	-	-	12,067	12,038	29	99.76 %	10,341	10,341
Total	80,064	-	-	80,064	79,863	201	99.75 %	72,184	71,647

PART F: FINANCIAL INFORMATION

Figures in Rand thousand		2025/2026						2024/2025	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.1 Programme Support									
Economic classification									
Compensation of employees									
Salaries and wages	1,942	-	-	1,942	1,902	40	97.94 %	1,848	1,848
Social contributions	240	-	-	240	239	1	99.58 %	227	227
	2,182	-	-	2,182	2,141	41	98.12 %	2,075	2,075
Goods and services									
Administrative fees	19	-	-	19	20	(1)	105.26 %	8	6
Catering: Departmental activities	42	-	-	42	42	-	100.00 %	-	-
Communication	38	-	-	38	36	2	94.74 %	35	35
Travel and subsistence	307	-	-	307	300	7	97.72 %	233	212
Training and development	284	-	-	284	283	1	99.65 %	-	-
	690	-	-	690	681	9	98.70 %	276	253
Compensation of employees	2,182	-	-	2,182	2,141	41	98.12 %	2,075	2,075
Goods and services	690	-	-	690	681	9	98.70 %	276	253
Total current payments	2,872	-	-	2,872	2,822	50	98.26 %	2,351	2,328
Total current payments	2,872	-	-	2,872	2,822	50	98.26 %	2,351	2,328
Total	2,872	-	-	2,872	2,822	50	98.26 %	2,351	2,328

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.2 Provincial Admin Fiscal Discipline									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	12,067	-	-	12,067	12,063	4	99.97 %	11,367	11,367
Social contributions	1,781	-	-	1,781	1,757	24	98.65 %	1,686	1,686
	13,848	-	-	13,848	13,820	28	99.80 %	13,053	13,053
Goods and services									
Administrative fees	50	-	-	50	59	(9)	118.00 %	27	22
Catering: Departmental activities	81	-	-	81	73	8	90.12 %	60	50
Communication	175	-	-	175	180	(5)	102.86 %	159	168
Travel and subsistence	772	-	-	772	767	5	99.35 %	738	684
Training and development	38	-	-	38	30	8	78.95 %	-	-
Venues and facilities	221	-	-	221	219	2	99.10 %	87	58
	1,337	-	-	1,337	1,328	9	99.33 %	1,071	982
Compensation of employees	13,848	-	-	13,848	13,820	28	99.80 %	13,053	13,053
Goods and services	1,337	-	-	1,337	1,328	9	99.33 %	1,071	982
Total current payments	15,185	-	-	15,185	15,148	37	99.76 %	14,124	14,035
Transfers and subsidies									
Households	262	-	-	262	233	29	88.93 %	-	-
Households	262	-	-	262	233	29	88.93 %	-	-
Total current payments	15,185	-	-	15,185	15,148	37	99.76 %	14,124	14,035
Total transfers and subsidies	262	-	-	262	233	29	88.93 %	-	-
Total	15,447	-	-	15,447	15,381	66	99.57 %	14,124	14,035

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure
2.3 Budget and Expenditure								
Economic classification								
Current payments								
Compensation of employees								
Salaries and wages	14,286	-	-	14,286	14,289	(3)	13,474	13,474
Social contributions	1,692	-	-	1,692	1,689	3	1,581	1,581
	15,978	-	-	15,978	15,978	-	15,055	15,055
Goods and services								
Administrative fees	25	-	-	25	24	1	27	23
Catering: Departmental activities	90	-	-	90	88	2	2	2
Communication	245	-	-	245	244	1	194	204
Travel and subsistence	501	-	-	501	519	(18)	419	368
Operating payments	188	-	-	188	160	28	271	86
Venues and facilities	113	-	-	113	112	1	108	108
	1,162	-	-	1,162	1,147	15	1,021	791
Compensation of employees	15,978	-	-	15,978	15,978	-	15,055	15,055
Goods and services	1,162	-	-	1,162	1,147	15	1,021	791
Total current payments	17,140	-	-	17,140	17,125	15	16,076	15,846
Total current payments	17,140	-	-	17,140	17,125	15	16,076	15,846
Total	17,140	-	-	17,140	17,125	15	16,076	15,846

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.4 Municipal Finance									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	18,437	-	-	18,437	18,449	(12)	100.07 %	17,406	17,406
Social contributions	2,664	-	-	2,664	2,652	12	99.55 %	2,448	2,447
	21,101	-	-	21,101	21,101	-	100.00 %	19,854	19,853
Goods and services									
Administrative fees	52	-	-	52	51	1	98.08 %	35	32
Catering: Departmental activities	93	-	-	93	93	-	100.00 %	115	115
Communication	300	-	-	300	300	-	100.00 %	256	266
Consultants: Business and advisory services	2,077	-	-	2,077	2,077	-	100.00 %	87	87
Travel and subsistence	1,500	-	-	1,500	1,499	1	99.93 %	1,529	1,383
Operating payments	51	-	-	51	51	-	100.00 %	-	-
Venues and facilities	106	-	-	106	106	-	100.00 %	41	41
	4,179	-	-	4,179	4,177	2	99.95 %	2,063	1,924
Compensation of employees	21,101	-	-	21,101	21,101	-	100.00 %	19,854	19,853
Goods and services	4,179	-	-	4,179	4,177	2	99.95 %	2,063	1,924
Total current payments	25,280	-	-	25,280	25,278	2	99.99 %	21,917	21,777
Transfers and subsidies									
Provinces and municipalities	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
Provinces and municipalities	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
Total current payments	25,280	-	-	25,280	25,278	2	99.99 %	21,917	21,777
Total transfers and subsidies	11,805	-	-	11,805	11,805	-	100.00 %	10,268	10,268
Total	37,085	-	-	37,085	37,083	2	99.99 %	32,185	32,045

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure
2.5 Infrastructure Coordination								
Economic classification								
Current payments								
Compensation of employees								
Salaries and wages	5,778	-	-	5,778	5,738	40	5,914	5,914
Social contributions	840	-	-	840	813	27	824	824
	6,618	-	-	6,618	6,551	67	6,738	6,738
Goods and services								
Administrative fees	25	-	-	25	24	1	21	17
Catering: Departmental activities	2	-	-	2	2	-	2	-
Communication	100	-	-	100	100	-	87	88
Travel and subsistence	714	-	-	714	714	-	476	426
Training and development	-	-	-	-	-	-	10	10
Operating payments	16	-	-	16	16	-	-	-
Venues and facilities	45	-	-	45	45	-	41	41
	902	-	-	902	901	1	637	582
Compensation of employees	6,618	-	-	6,618	6,551	67	6,738	6,738
Goods and services	902	-	-	902	901	1	637	582
Total current payments	7,520	-	-	7,520	7,452	68	7,375	7,320
Transfers and subsidies								
Households								
Households	-	-	-	-	-	-	73	73
	-	-	-	-	-	-	73	73
Total current payments	7,520	-	-	7,520	7,452	68	7,375	7,320
Total transfers and subsidies	-	-	-	-	-	-	73	73
Total	7,520	-	-	7,520	7,452	68	7,448	7,393

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand		2025/2026						2024/2025		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.3. ASSETS AND LIABILITIES MANAGEMENT										
Sub programme										
	3.1	2,473	-	-	2,473	2,472	1	99.96 %	2,115	2,085
	3.2	27,814	-	-	27,814	27,813	1	100.00 %	25,799	25,677
	3.3	5,961	-	-	5,961	5,959	2	99.97 %	5,541	5,507
	3.4	8,392	-	-	8,392	8,391	1	99.99 %	7,480	7,418
	3.5	118,580	-	-	118,580	109,469	9,111	92.32 %	109,670	88,873
	3.6	201,484	-	-	201,484	198,436	3,048	98.49 %	189,183	176,026
Subtotal		364,704	-	-	364,704	352,540	12,164	96.66 %	339,788	305,586
Economic classification										
Current payments										
Compensation of employees										
		67,378	-	-	67,378	67,367	11	99.98 %	61,415	61,414
		11,523	-	-	11,523	11,504	19	99.84 %	10,400	10,211
		78,901	-	-	78,901	78,871	30	99.96 %	71,815	71,625
Goods and services										
		324	-	-	324	342	(18)	105.56 %	257	225
		6	-	-	6	-	6	- %	-	-
		-	-	-	-	6	(6)	- %	23	23
		161	-	-	161	157	4	97.52 %	16	16
		1,058	-	-	1,058	1,212	(154)	114.56 %	998	987
		255,780	-	-	255,780	243,855	11,925	95.34 %	214,190	180,650
		750	-	-	750	100	650	13.33 %	388	388
		692	-	-	692	2,964	(2,272)	428.32 %	12,492	13,660
		-	-	-	-	826	(826)	- %	737	737
		22	-	-	22	-	22	- %	19	-

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Travel and subsistence	8,513	-	-	8,513	8,980	(467)	105.49 %	6,983	6,714
Training and development	987	-	-	987	567	420	57.45 %	48	48
Operating payments	127	-	-	127	126	1	99.21 %	1,241	257
Venues and facilities	401	-	-	401	812	(411)	202.49 %	331	307
	268,821	-	-	268,821	259,947	8,874	96.70 %	237,723	204,012
Compensation of employees	78,901	-	-	78,901	78,871	30	99.96 %	71,815	71,625
Goods and services	268,821	-	-	268,821	259,947	8,874	96.70 %	237,723	204,012
Total current payments	347,722	-	-	347,722	338,818	8,904	97.44 %	309,538	275,637
Transfers and subsidies									
Households	373	-	-	373	373	-	100.00 %	694	694
Households	373	-	-	373	373	-	100.00 %	694	694
Payments for capital assets									
Machinery and equipment	11,423	-	-	11,423	7,767	3,656	67.99 %	18,405	18,104
Software and other intangible assets	5,155	-	-	5,155	5,556	(401)	107.78 %	11,151	11,151
Machinery and equipment	11,423	-	-	11,423	7,767	3,656	67.99 %	18,405	18,104
Intangible assets	5,155	-	-	5,155	5,556	(401)	107.78 %	11,151	11,151
Total payments for capital assets	16,578	-	-	16,578	13,323	3,255	80.37 %	29,556	29,255
Payments for financial assets	30	-	-	30	26	4	86.67 %	-	-
Total current payments	347,722	-	-	347,722	338,818	8,904	97.44 %	309,538	275,637
Total transfers and subsidies	373	-	-	373	373	-	100.00 %	694	694
Total payments for capital assets	16,578	-	-	16,578	13,323	3,255	80.37 %	29,556	29,255
Total payments for financial assets	30	-	-	30	26	4	86.67 %	-	-
Total	364,703	-	-	364,703	352,540	12,163	96.66 %	339,788	305,586

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026							2024/2025	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.1 Programme Support									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	1,741	-	-	1,741	1,741	-	100.00 %	1,649	1,649
Social contributions	196	-	-	196	196	-	100.00 %	183	183
	1,937	-	-	1,937	1,937	-	100.00 %	1,832	1,832
Goods and services									
Administrative fees	19	-	-	19	19	-	100.00 %	36	30
Catering: Departmental activities	5	-	-	5	2	3	40.00 %	-	-
Communication	30	-	-	30	33	(3)	110.00 %	32	33
Travel and subsistence	314	-	-	314	286	28	91.08 %	92	79
Training and development	114	-	-	114	13	101	11.40 %	48	48
Venues and facilities	54	-	-	54	182	(128)	337.04 %	75	63
	536	-	-	536	535	1	99.81 %	283	253
Compensation of employees	1,937	-	-	1,937	1,937	-	100.00 %	1,832	1,832
Goods and services	536	-	-	536	535	1	99.81 %	283	253
Total current payments	2,473	-	-	2,473	2,472	1	99.96 %	2,115	2,085
Total current payments	2,473	-	-	2,473	2,472	1	99.96 %	2,115	2,085
Total	2,473	-	-	2,473	2,472	1	99.96 %	2,115	2,085

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.2 Provincial Supply Chain Management									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	20,498	-	-	20,498	20,498	-	100.00 %	19,362	19,362
Social contributions	3,736	-	-	3,736	3,736	-	100.00 %	3,453	3,453
	24,234	-	-	24,234	24,234	-	100.00 %	22,815	22,815
Goods and services									
Administrative fees	87	-	-	87	107	(20)	122.99 %	81	76
Advertising	6	-	-	6	-	6	- %	-	-
Catering: Departmental activities	109	-	-	109	112	(3)	102.75 %	2	2
Communication	346	-	-	346	377	(31)	108.96 %	357	351
Consultants: Business and advisory services	750	-	-	750	-	750	- %	98	98
Contractors	13	-	-	13	-	13	- %	-	-
Transport provided: Departmental activity	22	-	-	22	-	22	- %	19	-
Travel and subsistence	1,794	-	-	1,794	2,505	(711)	139.63 %	2,231	2,153
Training and development	-	-	-	-	1	(1)	- %	-	-
Operating payments	26	-	-	26	17	9	65.38 %	56	55
Venues and facilities	220	-	-	220	254	(34)	115.45 %	124	111
	3,373	-	-	3,373	3,373	-	100.00 %	2,968	2,846
Compensation of employees	24,234	-	-	24,234	24,234	-	100.00 %	22,815	22,815
Goods and services	3,373	-	-	3,373	3,373	-	100.00 %	2,968	2,846
Total current payments	27,607	-	-	27,607	27,607	-	100.00 %	25,783	25,661
Transfers and subsidies									
Households									
Households	207	-	-	207	206	-	99.52 %	16	16
	207	-	-	207	206	-	99.52 %	16	16
Total current payments	27,607	-	-	27,607	27,607	-	100.00 %	25,783	25,661
Total transfers and subsidies	207	-	-	207	206	-	99.52 %	16	16
Total	27,814	-	-	27,814	27,813	-	100.00 %	25,799	25,677

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.3 Public Sector Liabilities									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	4,684	-	-	4,684	4,684	-	100.00 %	4,405	4,405
Social contributions	646	-	-	646	645	1	99.85 %	603	603
	5,330	-	-	5,330	5,329	1	99.98 %	5,008	5,008
Goods and services									
Administrative fees	7	-	-	7	7	-	100.00 %	6	4
Communication	56	-	-	56	55	1	98.21 %	50	46
Travel and subsistence	568	-	-	568	568	-	100.00 %	477	449
	631	-	-	631	630	1	99.84 %	533	499
Compensation of employees	5,330	-	-	5,330	5,329	1	99.98 %	5,008	5,008
Goods and services	631	-	-	631	630	1	99.84 %	533	499
Total current payments	5,961	-	-	5,961	5,959	2	99.97 %	5,541	5,507
Total current payments	5,961	-	-	5,961	5,959	2	99.97 %	5,541	5,507
Total	5,961	-	-	5,961	5,959	2	99.97 %	5,541	5,507

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.4 Physical Assets Management									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	5,877	-	-	5,877	5,877	-	100.00 %	5,576	5,576
Social contributions	774	-	-	774	773	1	99.87 %	736	736
	6,651	-	-	6,651	6,650	1	99.98 %	6,312	6,312
Goods and services									
Administrative fees	35	-	-	35	38	(3)	108.57 %	26	21
Catering: Departmental activities	5	-	-	5	1	4	20.00 %	-	-
Communication	107	-	-	107	107	-	100.00 %	94	98
Travel and subsistence	1,406	-	-	1,406	1,352	54	96.16 %	980	918
Training and development	116	-	-	116	112	4	96.55 %	-	-
Venues and facilities	72	-	-	72	131	(59)	181.94 %	68	69
	1,741	-	-	1,741	1,741	-	100.00 %	1,168	1,106
Compensation of employees	6,651	-	-	6,651	6,650	1	99.98 %	6,312	6,312
Goods and services	1,741	-	-	1,741	1,741	-	100.00 %	1,168	1,106
Total current payments	8,392	-	-	8,392	8,391	1	99.99 %	7,480	7,418
Total current payments	8,392	-	-	8,392	8,391	1	99.99 %	7,480	7,418
Total	8,392	-	-	8,392	8,391	1	99.99 %	7,480	7,418

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
3.5 Interlinked Financial Systems										
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages	11,177	-	-	11,177	11,177	-	100.00 %	10,281	10,281	
Social contributions	1,895	-	-	1,895	1,886	9	99.53 %	1,636	1,636	
	13,072	-	-	13,072	13,063	9	99.93 %	11,917	11,917	
Goods and services										
Administrative fees	83	-	-	83	83	-	100.00 %	56	45	
Catering: Departmental activities	38	-	-	38	38	-	100.00 %	-	-	
Communication	156	-	-	156	156	-	100.00 %	162	154	
Computer services	102,659	-	-	102,659	93,559	9,100	91.14 %	93,398	72,664	
Contractors	-	-	-	-	-	-	- %	54	53	
Travel and subsistence	2,209	-	-	2,209	2,208	1	99.95 %	1,433	1,390	
Training and development	81	-	-	81	81	-	100.00 %	-	-	
Operating payments	80	-	-	80	79	1	98.75 %	15	15	
Venues and facilities	35	-	-	35	35	-	100.00 %	56	56	
	105,341	-	-	105,341	96,239	9,102	91.36 %	95,174	74,377	
Compensation of employees	13,072	-	-	13,072	13,063	9	99.93 %	11,917	11,917	
Goods and services	105,341	-	-	105,341	96,239	9,102	91.36 %	95,174	74,377	
Total current payments	118,413	-	-	118,413	109,302	9,111	92.31 %	107,091	86,294	
Transfers and subsidies										
Households	167	-	-	167	167	-	100.00 %	266	266	
Households	167	-	-	167	167	-	100.00 %	266	266	
Payments for capital assets										
Machinery and equipment	-	-	-	-	-	-	- %	2,313	2,313	
Machinery and equipment	-	-	-	-	-	-	- %	2,313	2,313	

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.6 Information Technology									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	23,401	-	-	23,401	23,390	11	99.95 %	20,142	20,141
Social contributions	4,276	-	-	4,276	4,268	8	99.81 %	3,789	3,600
	27,677	-	-	27,677	27,658	19	99.93 %	23,931	23,741
Goods and services									
Administrative fees	93	-	-	93	88	5	94.62 %	52	49
Minor assets	-	-	-	-	6	(6)	- %	23	23
Catering: Departmental activities	4	-	-	4	4	-	100.00 %	14	14
Communication	363	-	-	363	484	(121)	133.33 %	303	305
Computer services	153,121	-	-	153,121	150,296	2,825	98.16 %	120,792	107,986
Consultants: Business and advisory services	-	-	-	-	100	(100)	- %	290	290
Contractors	679	-	-	679	2,964	(2,285)	436.52 %	12,438	13,607
Consumable supplies	-	-	-	-	826	(826)	- %	737	737
Travel and subsistence	2,222	-	-	2,222	2,061	161	92.75 %	1,770	1,725
Training and development	676	-	-	676	360	316	53.25 %	-	-
Operating payments	21	-	-	21	30	(9)	142.86 %	1,170	187
Venues and facilities	20	-	-	20	210	(190)	1,050.00 %	8	8
	157,199	-	-	157,199	157,429	(230)	100.15 %	137,597	124,931
Compensation of employees	27,677	-	-	27,677	27,658	19	99.93 %	23,931	23,741
Goods and services	157,199	-	-	157,199	157,429	(230)	100.15 %	137,597	124,931
Total current payments	184,876	-	-	184,876	185,087	(211)	100.11 %	161,528	148,672
Transfers and subsidies									
Households	-	-	-	-	-	-	%	412	412
Households	-	-	-	-	-	-	%	412	412

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand									
2025/2026									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Total current payments	118,413	-	-	118,413	109,302	9,111	92.31 %	107,091	86,294
Total transfers and subsidies	167	-	-	167	167	-	100.00 %	266	266
Total payments for capital assets	-	-	-	-	-	-	- %	2,313	2,313
Total	118,580	-	-	118,580	109,469	9,111	92.32 %	109,670	88,873
Payments for capital assets									
Machinery and equipment									
Payments for capital assets									
Machinery and equipment									
Other machinery and equipment	11,423	-	-	11,423	7,767	3,656	67.99 %	16,092	15,791
Software and other intangible assets	5,155	-	-	5,155	5,556	(401)	107.78 %	11,151	11,151
Machinery and equipment	11,423	-	-	11,423	7,767	3,656	67.99 %	16,092	15,791
Intangible assets	5,155	-	-	5,155	5,556	(401)	107.78 %	11,151	11,151
Total payments for capital assets	16,578	-	-	16,578	13,323	3,255	80.37 %	27,243	26,942
Payments for financial assets	30	-	-	30	26	4	86.67 %	-	-
Total current payments	184,876	-	-	184,876	185,087	(211)	100.11 %	161,528	148,672
Total transfers and subsidies	-	-	-	-	-	-	- %	412	412
Total payments for capital assets	16,578	-	-	16,578	13,323	3,255	80.37 %	27,243	26,942
Total payments for financial assets	30	-	-	30	26	4	86.67 %	-	-
Total	201,484	-	-	201,484	198,436	3,048	98.49 %	189,183	176,026

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand		2025/2026						2024/2025		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4. FINANCIAL GOVERNANCE										
Sub programme										
Programme Support	4.1	2,700	-	-	2,700	2,694	6	99.78 %	2,366	2,361
Accounting Services	4.2	6,631	-	-	6,631	6,589	42	99.37 %	8,596	8,547
Norms and Standards	4.3	14,290	-	-	14,290	14,289	1	99.99 %	11,421	11,362
Risk Management	4.4	4,197	-	-	4,197	4,195	2	99.95 %	4,000	3,950
Provincial Internal Audit	4.5	4,313	-	-	4,313	4,311	2	99.95 %	2,570	2,511
Subtotal		32,131	-	-	32,131	32,078	53	99.84 %	28,953	28,731
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages		23,258	-	-	23,258	23,228	30	99.87 %	19,955	19,955
Social contributions		3,827	-	-	3,827	3,811	16	99.58 %	3,310	3,310
		27,085	-	-	27,085	27,039	46	99.83 %	23,265	23,265
Goods and services										
Administrative fees		184	-	-	184	149	35	80.98 %	126	115
Catering: Departmental activities		132	-	-	132	123	9	93.18 %	228	227
Communication		428	-	-	428	443	(15)	103.50 %	318	310
Consultants: Business and advisory services		173	-	-	173	163	10	94.22 %	2,125	2,125
Travel and subsistence		3,235	-	-	3,235	3,182	53	98.36 %	2,532	2,344
Training and development		450	-	-	450	434	16	96.44 %	109	109
Operating payments		106	-	-	106	158	(52)	149.06 %	78	77
Venues and facilities		338	-	-	338	387	(49)	114.50 %	172	159
		5,046	-	-	5,046	5,039	7	99.86 %	5,688	5,466
Compensation of employees		27,085	-	-	27,085	27,039	46	99.83 %	23,265	23,265
Goods and services		5,046	-	-	5,046	5,039	7	99.86 %	5,688	5,466
Total current payments		32,131	-	-	32,131	32,078	53	99.84 %	28,953	28,731
Total current payments		32,131	-	-	32,131	32,078	53	99.84 %	28,953	28,731
Total		32,131	-	-	32,131	32,078	53	99.84 %	28,953	28,731

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.1 Programme Support									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	2,178	-	-	2,178	2,174	4	99.82 %	2,052	2,052
Social contributions	281	-	-	281	281	-	100.00 %	269	269
	2,459	-	-	2,459	2,455	4	99.84 %	2,321	2,321
Goods and services									
Administrative fees	1	-	-	1	-	1	- %	1	1
Communication	19	-	-	19	19	-	100.00 %	22	21
Travel and subsistence	26	-	-	26	25	1	96.15 %	16	12
Training and development	195	-	-	195	195	-	100.00 %	6	6
	241	-	-	241	239	2	99.17 %	45	40
Compensation of employees	2,459	-	-	2,459	2,455	4	99.84 %	2,321	2,321
Goods and services	241	-	-	241	239	2	99.17 %	45	40
Total current payments	2,700	-	-	2,700	2,694	6	99.78 %	2,366	2,361
Total current payments	2,700	-	-	2,700	2,694	6	99.78 %	2,366	2,361
Total	2,700	-	-	2,700	2,694	6	99.78 %	2,366	2,361

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.2 Accounting Services									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	4,787	-	-	4,787	4,746	41	99,14 %	5,142	5,142
Social contributions	658	-	-	658	657	1	99,85 %	769	769
	5,445	-	-	5,445	5,403	42	99,23 %	5,911	5,911
Goods and services									
Administrative fees	43	-	-	43	36	7	83,72 %	32	28
Catering: Departmental activities	32	-	-	32	30	2	93,75 %	31	31
Communication	125	-	-	125	123	2	98,40 %	88	94
Consultants: Business and advisory services	147	-	-	147	147	-	100,00 %	1,794	1,794
Travel and subsistence	708	-	-	708	701	7	99,01 %	608	557
Operating payments	36	-	-	36	54	(18)	150,00 %	35	35
Venues and facilities	95	-	-	95	95	-	100,00 %	97	97
	1,186	-	-	1,186	1,186	-	100,00 %	2,685	2,636
Compensation of employees	5,445	-	-	5,445	5,403	42	99,23 %	5,911	5,911
Goods and services	1,186	-	-	1,186	1,186	-	100,00 %	2,685	2,636
Total current payments	6,631	-	-	6,631	6,589	42	99,37 %	8,596	8,547
Total current payments	6,631	-	-	6,631	6,589	42	99,37 %	8,596	8,547
Total	6,631	-	-	6,631	6,589	42	99,37 %	8,596	8,547

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.3 Norms and Standards									
Economic classification									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	10,743	-	-	10,743	10,758	(15)	100.14 %	8,761	8,761
Social contributions	2,006	-	-	2,006	1,991	15	99.25 %	1,649	1,649
	12,749	-	-	12,749	12,749	-	100.00 %	10,410	10,410
Goods and services									
Administrative fees	73	-	-	73	47	26	64.38 %	18	17
Catering: Departmental activities	52	-	-	52	45	7	86.54 %	1	-
Communication	182	-	-	182	199	(17)	109.34 %	152	139
Travel and subsistence	1,140	-	-	1,140	1,087	53	95.35 %	753	709
Training and development	-	-	-	-	5	(5)	- %	87	87
Operating payments	18	-	-	18	32	(14)	177.78 %	-	-
Venues and facilities	76	-	-	76	125	(49)	164.47 %	-	-
	1,541	-	-	1,541	1,540	1	99.94 %	1,011	952
Compensation of employees	12,749	-	-	12,749	12,749	-	100.00 %	10,410	10,410
Goods and services	1,541	-	-	1,541	1,540	1	99.94 %	1,011	952
Total current payments	14,290	-	-	14,290	14,289	1	99.99 %	11,421	11,362
Total current payments	14,290	-	-	14,290	14,289	1	99.99 %	11,421	11,362
Total	14,290	-	-	14,290	14,289	1	99.99 %	11,421	11,362

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.4 Risk Management									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	2,649	-	-	2,649	2,649	-	100.00 %	2,497	2,497
Social contributions	412	-	-	412	412	-	100.00 %	377	377
	3,061	-	-	3,061	3,061	-	100.00 %	2,874	2,874
Goods and services									
Administrative fees	43	-	-	43	43	-	100.00 %	29	26
Catering: Departmental activities	26	-	-	26	26	-	100.00 %	5	5
Communication	56	-	-	56	56	-	100.00 %	44	44
Consultants: Business and advisory services	26	-	-	26	16	10	61.54 %	331	331
Travel and subsistence	764	-	-	764	773	(9)	101.18 %	676	629
Training and development	162	-	-	162	141	21	87.04 %	16	16
Operating payments	19	-	-	19	39	(20)	205.26 %	25	25
Venues and facilities	40	-	-	40	40	-	100.00 %	-	-
	1,136	-	-	1,136	1,134	2	99.82 %	1,126	1,076
Compensation of employees	3,061	-	-	3,061	3,061	-	100.00 %	2,874	2,874
Goods and services	1,136	-	-	1,136	1,134	2	99.82 %	1,126	1,076
Total current payments	4,197	-	-	4,197	4,195	2	99.95 %	4,000	3,950
Total current payments	4,197	-	-	4,197	4,195	2	99.95 %	4,000	3,950
Total	4,197	-	-	4,197	4,195	2	99.95 %	4,000	3,950

APPROPRIATION STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	2025/2026						2024/2025		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.5 Provincial Internal Audit									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	2,901	-	-	2,901	2,901	-	100.00 %	1,503	1,503
Social contributions	470	-	-	470	470	-	100.00 %	246	246
	3,371	-	-	3,371	3,371	-	100.00 %	1,749	1,749
Goods and services									
Administrative fees	24	-	-	24	23	1	95.83 %	46	43
Catering: Departmental activities	22	-	-	22	22	-	100.00 %	191	191
Communication	46	-	-	46	46	-	100.00 %	12	12
Travel and subsistence	597	-	-	597	596	1	99.83 %	479	437
Training and development	93	-	-	93	93	-	100.00 %	-	-
Operating payments	33	-	-	33	33	-	100.00 %	18	17
Venues and facilities	127	-	-	127	127	-	100.00 %	75	62
	942	-	-	942	940	2	99.79 %	821	762
Compensation of employees	3,371	-	-	3,371	3,371	-	100.00 %	1,749	1,749
Goods and services	942	-	-	942	940	2	99.79 %	821	762
Total current payments	4,313	-	-	4,313	4,311	2	99.95 %	2,570	2,511
Total current payments	4,313	-	-	4,313	4,311	2	99.95 %	2,570	2,511
Total	4,313	-	-	4,313	4,311	2	99.95 %	2,570	2,511

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 Annual appropriation to the Annual Financial Statements.

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

Details of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

4.1 Per programme

Figures in Rand thousand	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Administration	170,595	166,363	4,232	2.5%
Sustainable Resource Management	80,064	79,863	201	0.3%
Assets and Liabilities Management	364,704	352,539	45,730	12.5%

The underspending is mainly due to vacant funded posts that were not filled in the current financial year, Goods and Services due to disallowed expenditure for licences (Business Process Automation and Microsoft) as the result of Accounting treatment for prepayments and advances and Computer Equipment (switches) awaiting delivery

Financial Governance	32,131	32,078	53	0.2%
----------------------	--------	--------	----	------

4.2 Per economic classification

Figures in Rand thousand	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Current payments				
Compensation of employees	255,042	254,211	831	- %
Goods and services	341,588	42,511	12 %	
Transfers and subsidies				
Provinces and municipalities	11,863	11,829	34	- %
Departmental agencies and accounts	849	857	(8)	(1)%
Households	1,168	1,139	29	2 %
Payments for capital assets				
Machinery and equipment	31,799	24,581	7,218	23 %
Intangible assets	5,155	5,556	(401)	(8)%
Payments for financial assets	30	27	3	10 %

The underspending is mainly due to vacant funded posts that were not filled in the current financial year, Goods and Services due to disallowed expenditure for licences (Business Process Automation and Microsoft) as the result of Accounting treatment for prepayments and advances and Computer Equipment (switches) awaiting delivery.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
Revenue			
Annual appropriation	1	647,494	586,378
Departmental revenue	2	609,585	301,987
Total revenue		1,257,079	888,365
Expenditure			
Current expenditure			
Transfers and subsidies			
Expenditure for capital assets			
Payments for financial assets			
Current expenditure			
Compensation of employees	3	254,211	233,953
Goods and services	4	332,643	269,745
Total current expenditure		586,854	503,698
Transfers and subsidies			
Transfers and subsidies	6	13,825	11,871
Expenditure for capital assets			
Tangible assets	7	24,581	23,021
Intangible assets	7	5,556	11,151
Total expenditure for capital assets		30,137	34,172
Payments for financial assets	5	27	-
Total current expenditure			
Total transfers and subsidies			
Total expenditure for capital assets			
Total payments for financial assets		27	-
Total revenue fund expenditure		-	-
Total expenditure		630,843	549,741
Total revenue			
Total expenditure			
Surplus for the year		626,236	338,624
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation		16,651	36,637
		16,651	36,637
Voted funds		16,651	36,637
Departmental revenue and NRF Receipts	12	609,585	301,987
Surplus for the year		626,236	338,624

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
Assets			
Current Assets			
Cash and cash equivalents F3	8	8,087	3,405
Prepayments and advances	9	42,432	33,566
Receivables F6.1	10	166	147
		50,685	37,118
Non-Current Assets			
Receivables F6.2	10	1	48
Total Assets		50,686	37,166
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund / (Voted funds receivable)	F10.1 11	16,651	36,637
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	F11 12	237	332
Payables	F13.1 13	113	43
		17,001	37,012
Non-Current Liabilities		-	-
Current Liabilities		17,001	37,012
Total Liabilities		17,001	37,012
Assets			
Liabilities		-	-
Represented by:			
Recoverable revenue G2		33,685	154
Total LS		33,685	154

STATEMENT OF CHANGE IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
Recoverable revenue			
Opening balance		154	694
Transfers:			
Debts recovered (incl in dept revenue)		33,531	(540)
Closing balance		33,685	154

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
Cash flows from operating activities			
Receipts			
Annual appropriated funds received	1.1	647,494	586,378
Departmental revenue received	2	2,483	15,629
Interest received	2.2	710,398	298,347
		1,360,375	900,354
Net (increase)/ decrease in working capital		51	520
(Surrendered to) / Received from the Revenue Fund	11	(716,561)	(320,946)
Current payments		(595,718)	(537,264)
Payments for financial assets		(27)	-
Transfers and subsidies paid		(13,825)	(11,871)
Total receipts			
Total payments			
Net cash flow available from operating activities	14	34,295	30,793
Cash flows from investing activities			
Payments for capital assets	7	(30,137)	(34,172)
Proceeds from sale of capital assets	2.3	514	-
(Increase)/ decrease in non-current receivables	10	47	8
Net cash flows from investing activities		(29,576)	(34,164)
Cash flows from financing activities			
Increase/ (decrease) in net assets		(37)	(540)
Net increase/ (decrease) in cash and cash equivalents		4,682	(3,911)
Cash and cash equivalents at beginning of year		3,405	7,316
Cash and cash equivalents at the end of the year	15	8,087	3,405

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2026

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the Annual financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the Annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual financial statements and to comply with the statutory requirements of the , and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. **Basis of preparation**

The Annual financial statements have been prepared in accordance with the Modified Cash Standard.

2. **Going concern**

The Annual financial statements have been prepared on a going concern basis.

3. **Presentation currency**

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4. **Rounding**

Unless otherwise stated financial figures have been rounded to the nearest Rand (R '000).

5. **Foreign currency translation**

Cash flows arising from foreign currency transactions are translated into South African Rand using the spot exchange rates prevailing at the date of payment / receipt.

6. **Comparative information**

6.1 **Prior period comparative information**

Prior period comparative information has been presented in the current year's Annual financial statements. Where necessary figures included in the prior period Annual financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's Annual financial statements.

6.2 **Current year comparison with budget**

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement..

7. **Revenue**

7.1 **Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation, which are direct charges against the Revenue Fund authorised in terms of enabling legislation).

ACCOUNTING POLICIES CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Appropriated funds are recognised as revenue in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the Statement of Financial Performance on the date the adjustments become effective.

Appropriated funds are measured at the amounts receivable.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the Statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the Annual financial statements on the date of receipt and are measured at fair value.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the Annual financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

ACCOUNTING POLICIES CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Donations made in kind are recorded in the notes to the Annual financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the Annual financial statements at cost or fair value at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the Annual financial statements.

8.4.2 Finance leases

Finance lease payments made during the revenue are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the Annual financial statements and are not apportioned between the capital and interest portions.

At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:

- the fair value of the leased asset; or if lower,
- the present value of the minimum lease payments.

Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.

9. Aid assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the Annual financial statements on the date of receipt and is measured at fair value.

CARA Funds are recognised when receivable and measured at the amounts receivable.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

ACCOUNTING POLICIES CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

10. *Cash and cash equivalents*

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. *Prepayments and advances*

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12. *Loans and receivables*

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13. *Investments*

Investments are recognised in the statement of financial position at cost.

14. *Financial assets*

14.1 **Financial assets (not covered elsewhere)**

A financial asset is recognised initially at its cost, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 **Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the Annual financial statements.

15. *Payables*

Payables recognised in the statement of financial position are recognised at cost.

16. *Capital assets*

16.1 **Immovable capital assets**

Immovable assets reflected in the asset register of the department are recorded in the notes to the Annual financial statements at cost, or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

ACCOUNTING POLICIES CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to Annual financial statements.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the Annual financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R -.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R -.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the Annual financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the Annual financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R -.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R -.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

ACCOUNTING POLICIES CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

17. *Unauthorised expenditure*

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the Annual financial statements comprise of:

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

18. *Fruitless and wasteful expenditure*

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the Annual financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

19. *Irregular expenditure*

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the Annual financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

20. *Changes in accounting estimates and errors*

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

ACCOUNTING POLICIES CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

21. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual financial statements.

22. Principal-Agent arrangements

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the Annual financial statements where appropriate.

23. Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information and the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.

24. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

25. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

26. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the Annual financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the Annual financial statements.

27. Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

ACCOUNTING POLICIES CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

28. Public-Private Partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the annual financial statements.

29. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

30. Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

31. Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
--------------------------	---------	-----------	-----------

1. Annual appropriation

1.1 Annual appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

Figures in Rand thousand	2025/2026		2024/2025	
	Final budget	Actual funds received	Final budget	Appropriation received
Programmes				
Administration	170,595	170,595	145,453	145,453
Sustainable Resource Management	80,064	80,064	72,184	72,184
Assets and Liabilities Management	364,704	364,704	339,788	339,788
Financial Governance	32,131	32,131	28,953	28,953
Total	647,494	647,494	586,378	586,378

2. Departmental revenue

Sales of goods and services other than capital assets	2.1	1,049	797
Interest, dividends and rent on land	2.2	710,398	298,347
Sales of capital assets	2.3	514	-
Transactions in financial assets and liabilities	2.4	1,434	14,832
Total revenue collected		713,395	313,976
Less: Own revenue included in appropriation	12	103,810	11,989
Departmental revenue collected		609,585	301,987

The Departmental Revenue collected includes interest from the Paymaster General Account, Interest from Revenue Fund and the Inter-Governmental Cash Coordination (IGCC) account and Investment that the department received. The Departmental Revenue includes the own revenue included in the main appropriation amounting to R103 810 million

2.1 Sales of goods and services other than capital assets

Sales by market establishment	11	11
Administrative fees	137	128
Other sales	901	658
Sales of goods and services produced by the department	1,049	797

Other Sales refers to the sale of tender documents.

2.2 Interest, dividends and rent on land

Interest	710,398	298,347
----------	---------	---------

The Interest is from the Paymaster General Account, Investment interest from Revenue Fund and the Inter-Governmental Cash Coordination (IGCC) account and Investment that the department received.

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
2. Departmental revenue continued			
2.3 Sales of capital assets			
Tangible assets			
Machinery and equipment		514	-
2.4 Transactions in financial assets and liabilities			
Receivables		81	14,533
Other receipts including recoverable revenue		1,353	299
Total	2	1,434	14,832
The decrease in transactions in financial assets and liabilities relates to the recovery of expenditure incurred in previous financial years.			
2.5 Transfers received			
2.5.1 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)			
Sponsorships		200	250
The Provincial Treasury received sponsorships for the Employee Excellence Awards held on 11 December 2025 amounting to R200 000 which was processed via ABSA Bank's procurement processes.			
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		181,092	167,841
Service based		414	185
Compensative/circumstantial		1,145	1,589
Other non-pensionable allowances		35,722	32,333
Total		218,373	201,948
Other Non-Pensionable allowances includes Service Bonus, Capital Remunerations, Salaries of Interns who are on contract basis.			
3.2 Social contributions			
Employer contributions			
Pension		23,340	21,195
Medical		11,933	10,618
Bargaining council		46	39
Insurance		519	153
Total		35,838	32,005
Total compensation of employees		254,211	233,953
Average number of employees		332	389
The total number of employees is 332 that includes 4 Interns			

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
4. Goods and services			
Administrative fees		1,752	1,297
Advertising		1,097	1,163
Minor assets	4.1	119	76
Catering		2,289	1,158
Communication		7,903	7,529
Computer services	4.2	243,908	180,650
Consultants: Business and advisory services		3,938	2,990
Contractors		3,076	16,912
Agency and support / outsourced services		125	-
Audit cost - external	4.3	7,553	6,486
Fleet services		2,659	3,522
Consumables	4.4	6,704	5,051
Operating leases		9,110	8,823
Property payments	4.5	4,229	7,015
Travel and subsistence	4.6	30,149	21,900
Venues and facilities		3,016	3,156
Training and development		4,097	1,120
Other operating expenditure	4.7	919	897
Total		332,643	269,745

The increase in administrative fees is due to travel agency fees and bank charges incurred during the financial year. Advertising has decreased since the department is utilizing online marketing for internal and external matters. Minor Assets increased as the department procured more assets during the year under review. Catering increased due to departmental activities and workshops, interviews, and trainings undertaken. Communication costs increased during the year under review due to higher utilization of landline services. Computer Services increased due to the full implementation of E-submission and an increase in Microsoft licenses. Contractors decreased as the department did not have maintenance and repair projects. Consultants increased to support departments and Municipalities. Audit Cost increased due to AGSA's annual rates. Fleet Services decreased due to low maintenance and repairs of departmental Government vehicles. Consumables increased as the stores' utilization of items and replenishment for stationery and cleaning. Operating Leases increased due to the renewal of the printing/photocopying machines during the year. Property Payments decreased due to a yearly decline in rates and taxes across various municipalities, including RGC water and electricity, billed by PWRT. Travel and Subsistence increased as the support to municipal entities was high. Venues decreased due to reviews and engagements that were undertaken during the year. Training increased as the officials participated in various trainings. Other Operating increased due to Courier Services, Achievement and Awards, Laundry and Tailoring, Non-Life Insurance, and Printing and Publications.

4.1 Minor assets

Tangible assets

Machinery and equipment	119	76
-------------------------	-----	----

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
4. Goods and services continued			
4.2 Computer services			
SITA computer services		78,187	56,307
External computer service providers		165,721	124,343
Total	4	243,908	180,650
The External Computer Services includes the payments for Business Process Automation Systems (E-Leave, Annual Financial Statements, E-Submission and Tracking Invoices) and the payments made to Microsoft for the operating systems and SITA for transversal systems.			
4.3 Audit cost - external			
Regularity audits		7,553	6,486
4.4 Consumables			
Uniform and clothing		763	480
Household supplies		1,094	1,555
Building material and supplies		163	119
Communication accessories		-	1
IT consumables		-	744
Other consumables		1,609	-
Consumable supplies		3,629	2,899
Stationery, printing and office supplies		3,075	2,152
Total	4	6,704	5,051
4.5 Property payments			
Municipal services		4,182	3,132
Property maintenance and repairs		-	3,849
Other		47	34
Total	4	4,229	7,015
Other refers to Cleaning and Gardening Services			
4.6 Travel and subsistence			
Local		30,115	21,889
Foreign		34	11
Total	4	30,149	21,900
4.7 Other operating expenditure			
Professional bodies, membership and subscription fees		453	247
Resettlement costs		219	103
Other		247	547
Total	4	919	897
Other relates to Achievement and Awards, Laundry and Tailoring, Non Life Insurance, Printing and Publications.			

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
5. Payments for financial assets			
Debts written off		27	-
The debt written off is for a deceased employee.			
6. Transfers and subsidies			
Provinces and municipalities	27	11,805	10,268
Departmental agencies and accounts	Annexure 1B	881	810
Households	Annexure 1C	1,139	793
Total		13,825	11,871
6.1 Gifts, donations and sponsorships made in kind (not included in the main note)			
Gifts		93	30
Donations		199	263
Total	Annexure 1J	292	293
The above Gifts is items given to retired officials, and Donations is for families that the Mpumalanga Provincial Government is offering housing as part of legacy projects			
7. Expenditure for capital assets			
Tangible capital assets			
Machinery and equipment	24	24,581	23,021
Intangible capital assets			
Software	25	5,556	11,151
7.1 Analysis of funds utilised to acquire capital assets - 2025/2026			
Figures in Rand		Voted funds	Total
Tangible capital assets			
Machinery and equipment		24,581	24,581
Intangible capital assets			
Software		5,556	5,556
Total		30,137	30,137
7.2 Analysis of funds utilised to acquire capital assets - 2024/2025			
Figures in Rand		Voted funds	Total
Tangible capital assets			
Machinery and equipment		23,021	23,021
Intangible capital assets			
Software		11,151	11,151
Total		34,172	34,172

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
--------------------------	---------	-----------	-----------

8. Cash and cash equivalents

Consolidated paymaster general account		8,097	3,405
Disbursements		(10)	-

Total		8,087	3,405
--------------	--	--------------	--------------

Under Cash and Cash equivalents is Voted funds to be surrendered and Revenue Accruals due to Provincial Revenue Fund.

9. Prepayments and advances

Prepayments (Not expensed)	9.1	42,432	33,566
----------------------------	-----	--------	--------

Analysis of total prepayments and advances

Current prepayments and advances		42,432	33,566
Non-current prepayments and advances		-	-

Total		42,432	33,566
--------------	--	---------------	---------------

The prepayments are for licences (Business Process Automation and Microsoft) as a result of Accounting treatment for prepayments and advances

9.1 Prepayments (Not expensed)

Figures in Rand	Note	Balance as at 01 April 2025	Less: Amount expensed in current year	Add/Less: Other	Add: Current year prepayments	Balance as at 31 March 2026
-----------------	------	-----------------------------------	---	--------------------	-------------------------------------	--------------------------------------

Listed by economic classification

Goods and services		33,566	(33,566)	-	42,432	42,432
--------------------	--	--------	----------	---	--------	--------

The prepayments are for licenses (Business Process Automation and Microsoft) as a result of Accounting treatment for prepayments and advances

Figures in Rand	Note	Balance as at 01 April 2024	Less: Amount expensed in current year	Add/Less: Other	Add: Current year prepayments	Balance as at 31 March 2026
-----------------	------	-----------------------------------	---	--------------------	-------------------------------------	--------------------------------------

Listed by economic classification

Goods and services		-	-	-	33,566	33,566
--------------------	--	---	---	---	--------	--------

The prepayments are for licenses (Business Process Automation and Microsoft) as a result of Accounting treatment for prepayments and advances

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
--------------------------	---------	-----------	-----------

10. Receivables

Figures in Rand		2025/2026			2024/2025		
	Note	Current	Non current	Total	Current	Non current	Total
Staff debt	10.3	9	1	10	12	48	60
Other receivables	10.4	157	-	157	135	-	135
Total		166	1	167	147	48	195

Other Receivables relates to Ex-Employees that are indebted to Provincial Treasury

10.1 Claims recoverable**10.2 Recoverable expenditure****10.3 Staff debt**

Recovery for loss/Damage to assets		-	60
Claim Overpayment		10	-
Total	10	10	60

10.4 Other receivables

Ex-employees: Salary Overpayment		102	102
Recovery for loss/Damage to assets		9	8
Pension Recoverable		46	25
Total	10	157	135

Other Receivables relates to Ex-Employees that are indebted to Provincial Treasury

11. Voted funds to be surrendered to the Revenue Fund / (Voted funds receivable)

Opening balance		36,637	7,090
Prior period error	11.1	(33,566)	-
As restated		3,071	7,090
Transferred from statement of financial performance (as restated)		16,651	36,637
Received / (Paid) during the year		(3,071)	(7,090)
Closing balance		16,651	36,637

The Voted Funds to be surrendered increased due to licenses (Business Process Automation and Microsoft), as a result of Accounting treatment for prepayments and advances

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
11. Voted funds to be surrendered to the Revenue Fund / (Voted funds receivable) continued			
11.1 Prior period error			
Figures in Rand	Note		2024/2025
Nature of prior period error			
Relating to 2024/2025			
Prepayments Licences			33,566
The amount relates to licenses for Business Process Automation and Microsoft 365 as a result of Accounting treatment for prepayments and advances, as indicated above.			
12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		332	212
Transferred from statement of financial performance (as restated)		609,585	301,987
Own revenue included in appropriation	2	103,810	11,989
Paid during the year		(713,490)	(313,856)
Closing balance		237	332
13. Payables - current			
Other payables	13.2	113	43
13.1 Clearing accounts			
13.2 Other payables			
13.3 Other payables			
Income Tax		52	22
Sal: GEHS		61	21
Total	12	113	43
Income Tax : An amount owed to SARS by officials due to changes in persal code.			
GEHS: An amount owed to employees for housing allowances.			
14. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		626,236	338,624
Add back non cash/ cash movements not deemed operating activities			
(Increase)/ decrease in receivables		(19)	534
(Increase)/ decrease in prepayments and advances		(42,431)	(33,566)
Increase/ (decrease) in payables – current		70	(14)
Proceeds from sale of capital assets		(514)	-
Expenditure on capital assets		30,137	34,172
Surrenders to / Received from the Revenue Fund		(716,560)	(320,946)
Own revenue included in appropriation		103,810	11,989
Other non-cash items		33,566	-
Net cash flow generated by operating activities		34,295	30,793

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated paymaster general account		8,097	3,405
Disbursements		(10)	-
Total		8,087	3,405
16. Capital commitments			
Machinery and equipment		4,934	-
The Capital Commitments are for Computer Equipment (Switches), and a Network Vulnerability Scanner, awaiting delivery			
17. Accruals and payables not recognised			
17.1 Accruals			
		2025/2026	2024/2025
Figures in Rand	30 Days	Total	Total
Listed by economic classification			
Goods and services	2,960	2,960	9,082
Other	445	445	283
Total	3,405	3,405	9,365
Other Accruals relates to Salary related (S&T Claims) for the financial year under review. The decrease in the accruals is mainly due to contractual obligations which were submitted in time and were paid during the financial year.			
17.2 Payables not recognised			
		2025/2026	2024/2025
Figures in Rand	30 Days	Total	Total
Listed by economic classification			
Goods and services	34	34	6,411
Intergovernmental payables not recognised (included above) Annexure 5		713	11,491
The confirmed balances is for Department of public works, Roads and Transport relating to Telecommunication for the financial year under review.			

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
18. Employee benefits			
Leave entitlement		13,994	13,927
Service bonus		7,446	6,663
Capped leave		5,421	5,758
Other		327	381
Total		27,188	26,729

Other is a Provision of Long Service award of officials that will complete 20, 30 and 40 years of service in the coming twelve months. Currently at this stage the department is not able to reliably measure the long term portion of the long service awards as the amounts are determined by DPSA each financial Year. Included in the leave entitlement is a negative Leave balance amounting to R199 000

19. Lease commitments

18.1 Operating leases

2025/2026

Figures in Rand thousand	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	8,521	1,462	9,983
Later than 1 year and not later than 5 years	23,010	1,032	24,042
Total lease commitments	31,531	2,494	34,025

2024/2025

Figures in Rand thousand	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	7,630	1,658	9,288
Later than 1 year and not later than 5 years	27,076	1,434	28,510
Total lease commitments	34,706	3,092	37,798

The aforementioned rental shall escalate at a rate of seven (06) and (07) percent per annum on the first anniversary of the lease and in accordance with the period of occupation and every anniversary thereafter until termination of the agreement. continued occupation of the premises. The rental for water coolers escalates with (17) percent per annum on the first anniversary of the agreement until termination of the agreement.

20. Accrued departmental revenue

20.1 Analysis of accrued departmental revenue

Opening balance	-	757
Less: Amounts received	-	(757)
Add: Amounts recognised	-	30
Less: Amounts transferred to receivables for recoverable	-	(30)
Total	-	-

20.2 Accrued department revenue written off

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
--------------------------	---------	-----------	-----------

21. *Unauthorised, Irregular and Fruitless and wasteful expenditure*

The Department did not incur any Unauthorised, Irregular and Fruitless and Wasteful Expenditures.

22. *Related party transactions*

List related party relationships and the nature thereof

During the financial year 2025/2026; Provincial Treasury occupied Nokuthula Simelane Building, upper and lower grounds in the Riverside Government Complex, a service provided by the Department of Public Works, Roads and Transport free of charge. During the financial year the Provincial Treasury provided Information Technology services free of charge (Information Technology support, Network and Governance) to the following departments: Office of the Premier; Co-Operative Governance and Traditional Affairs, Culture, Sport and Recreation, Human Settlements, Agriculture, Rural Development, Land and Environmental Affairs; Economic Development and Tourism; Education; Community Safety, Security and Liaison; Public Works, Roads and Transport; Health and Social Development. During the financial year, Provincial Treasury received security services from the Department of Community Safety, Security and Liaison.

Provincial Treasury is related to Department of Economic Development and Tourism as the two Departments share the office building in Bushbuckridge Ehlanzeni Region. At Gert Sibande Region, Provincial Treasury is related to Department of Public Works, Roads and Transport as they occupied offices for Revenue, Supply Chain Management and Information Technology in the following office building: Mkhondo, Elukwatini and Ermelo. At Nkangala Region, Provincial Treasury is related to Department of Public Works, Roads and Transport as they occupied offices for Revenue, Supply Chain Management and Information Technology at Emalahleni Piet Koornhoof, Middelburg office, KwaMhlanga (building 4 and 12) and Siyabuswa Satellite Office. There is no related party transaction within the MEC's portfolio, however all departments are related and the above is disclosed as additional information in line with TR21.2.4. Related party includes Key Management Personnel.

23. *Key management personnel*

Political office bearers (provide detail below)	2,292	1,586
Level 15 to 16	2,247	2,158
Level 14 (incl. CFO if at a lower level)	6,654	6,327
Other	8,646	8,266
Total	19,839	18,337

Other relates to all Senior Managers that report directly to the Head: Provincial Treasury.

24. *Movable tangible capital assets*

Movement in movable tangible capital assets per asset register for the year ended 31 March 2025

Figures in Rand Thousands	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	18,215	7,610	1,169	24,656
	96,858	15,241	3,400	108,699
Furniture and office equipment	8,931	425	215	9,141
Other machinery and equipment	13,802	1,305	391	14,716
	137,806	24,581	5,175	157,212

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
--------------------------	---------	-----------	-----------

24. Movable tangible capital assets continued

24.1 Movement for 2024/2025

Movement in movable tangible capital assets per asset register for the year ended 31 March 2025

Figures in Rand Thousands	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	16,693	2,175	653	18,215
Computer equipment	89,249	7,819	210	96,858
Furniture and office equipment	8,590	382	41	8,931
Other machinery and equipment	4,292	12,645	3,135	13,802
	118,824	23,021	4,039	137,806

22.1.1 Prior period error

24.2 Minor assets

Movement in minor capital assets per the asset register for the year ended as at 31 March 2026

Figures in Rand	Machinery and equipment	Total
Opening balance	5,965	5,965
Additions	119	119
Disposals	(684)	(684)
Total minor capital assets	5,400	5,400

Figures in Rand	Machinery and equipment	Total
Number of R1 minor assets	1	1
Number of minor assets at cost	2,618	2,618
Total number of minor assets	2,619	2,619

Movement in minor capital assets per the asset register for the year ended as at 31 March 2024

Figures in Rand	Other Machinery and equipment	Total
Opening balance	5,920	5,920
Additions	76	76
Disposals	(31)	(31)
Total minor capital assets	5,965	5,965

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
--------------------------	---------	-----------	-----------

		Other Machinery and equipment	Total
Figures in Rand			
Number of minor assets at cost		2,888	2,888

25. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2026

	Opening balance	Additions	Disposals	Closing balance
Software	28,717	5,556	13,586	20,687

25.1 Movement for 2024/2025

Movement in intangible capital assets per asset register for the year ended 31 March 2024

	Opening balance	Additions	Disposals	Closing balance
Software	22,383	11,151	4,817	28,717

26. Immovable tangible capital assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2026

Figures in Rand thousand	Opening balance	Closing balance
Buildings and other fixed structures		
Other fixed structures	24	24

26.1 Movement for 2023/2024

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2025

Figures in Rand thousand	Opening balance	Closing balance
Buildings and other fixed structures		
Non-residential buildings	24	24

NOTES TO THE ANNUAL FINANCIAL STATEMENT CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

Figures in Rand thousand	Note(s)	2025/2026	2024/2025
--------------------------	---------	-----------	-----------

27. Prior period errors**27.1 Correction of prior period errors**

Figures in Rand	Note	Amount before correction	Prior period errors	Restated amount
Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)				
Prepayments for Licences		214,216	(33,566)	180,650

The prepayments are for licenses (Business Process Automation and Microsoft) as a result of Accounting treatment for prepayments and advances

Figures in Rand	Note	Prior period errors	Restated amount
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)			
Prepayments for Licences		33,566	33,566

The prepayments are for licenses (Business Process Automation and Microsoft) as a result of Accounting treatment for prepayments and advances

28. Statement of conditional grants and other transfers to municipalities

	2025/2026		2024/2025		
Figures in Rand thousand	Grant allocation		Expenditure		
	DoRA and other transfers	Total Available	Actual Transfer	Division of Revenue Act	Actual Transfer
Name of municipality					
Steve Tshwete Local Municipality	4,921	4,921	4,921	-	-
Emakhazeni Local Municipality	2,950	2,950	2,950	-	-
Dr JS Moroka Local Municipality	3,084	3,084	3,084	-	-
Victor Khanye Local Municipality	-	-	-	10,268	10,268
Bushbuckridge Local Municipality	850	850	850	-	-
Total	11,805	11,805	11,805	10,268	10,268

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS - UNAUDITED

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1B**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

Figures in Rand thousand	Transfer allocation		Transfer		2024/2025	
Departmental Agency/ Account	Adjusted budget	Total available	Actual transfer	% of Available funds transferred	Final budget	Actual transfer
South African Broadcasting Corporation	-	-	8	- %	-	-
Government Vehicle Licences : DCSSL	58	58	24	41 %	56	46
Skills Development Levy: FASSET	849	849	849	100 %	764	764
Total	907	907	881		820	810

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
- UNAUDITED CONTINUED
FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1G**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

Figures in Rand thousand	Transfer allocation		Expenditure		2024/2025	
	Adjusted budget	Total available	Actual transfer	% of Available funds transferred	Final budget	Actual transfer
Households						
Transfers						
Leave Gratuity	1,215	1,215	960	79 %	793	793
Donations and Gifts	-	-	179	-	-	-
Total	1,215	1,215	1,139	-	793	793

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS - UNAUDITED CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1H STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Figures in Rand thousand		2025/2026	2024/2023
Name of organisation	Nature of gifts, donations and sponsorships		
Received in cash			
Sponsorships			
Long Service Awards		200	150
Budget Breakfast		-	100
Total sponsorships		200	250

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
- UNAUDITED CONTINUED
FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 17**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

Figures in Rand thousand	2025/2026	2024/2025
Nature of gifts, donations and sponsorships made		
Made in kind		
Gifts		
Retired Officials	93	30
Donations		
Legacy Projects	199	263
Total gifts, donations and sponsorships made in kind	292	293

The above Gifts are items given to retiring officials and Donations are items given to families as part of legacy projects that the Mpumalanga Provincial Government is offering housing to.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS - UNAUDITED CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 5**INTER-GOVERNMENT CONTINGENT LIABILITIES, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS**

Government entity	Confirmed balance outstanding		Total
Figures in Rand thousand	2025/2026	2024/2025	2025/2026
Departments			
Accruals			
Department of Public Works, Roads and Transport	713	1,232	1,232
SITA	-	10,259	10,259
Subtotal	713	11,491	11,491
Total Departments			
Accruals	713	11,491	11,491

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS - UNAUDITED CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 12

Name of entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Contact Commence-ment date	Contact end date	Frequency of the prepayment or advance	Total amount prepaid / advance in the current year	Balance outstanding as at 31 March 2026	Reason for pre-payment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
Figures in Rand									

Prepayments

Box Fusion	Private	Licences for E-leave	Goods and Services	2025/06/26	2030/06/25	Yearly	12,807	12,807	The prepayments are for licences (Business Process Automation and Microsoft), as a result of Accounting treatment for prepayments and advances
JICHO	Private	E-sub-mission	Goods and Services	2024/09/25	2028/09/25	Yearly	18,341	18,341	The prepayments are for licenses (Business Process Automation and Microsoft), as a result of Accounting treatment for prepayments and advances

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS - UNAUDITED CONTINUED FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 12 CONTINUED

Name of entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Contact Commence-ment date	Contact end date	Frequency of the prepayment or advance	Total amount prepaid / advance in the current year	Balance outstanding as at 31 March 2026	Reason for pre-payment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
Figures in Rand									
Microsoft Ireland	Private	Microsoft 365 Licence	Goods and Services	2024/06/19	2025/06/18	Yearly	12,559	12,559	The prepayments are for licenses (Business Process Automation and Microsoft), as a result of Accounting treatment for prepayments and advances
Total Payments							43,707	43,707	

MPUMALANGA
PROVINCIAL
TREASURY

2025/26

Nokuthula Simelane Building
No. 7 Government Boulevard
Riverside Park | Extension 2
Mbombela, 1200

Private Bag X 11205
Mbombela
1200, Mpumalanga Province

013 766 4437 | 013 766 9449

<https://treasury.mpg.gov.za>

 Mpumalanga Treasury
 @MPTreasury



PR 33/2026
ISBN: 978-1-83491-630-9
Title of Publications: Mpumalanga Provincial
Government Annual Report 2025/2026