ANNUAL REPORT 2024/25

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National School of Government
REPUBLIC OF SOUTH AFRICA

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National School of Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SCHOOL OF GOVERNMENT

VOTE NO.7

ANNUAL REPORT

2024/2025 FINANCIAL YEAR

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PART A:
GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

The National School of Government (the NSG) has a constitutional and legislative mandate to provide education, training and development in the three spheres of government, state-owned enterprises (SOEs) and organs of state. This mandate is in line with Section 195 of the Constitution of the Republic of South Africa (1996), which declares public administration to be development-oriented and participatory, and the basic values and principles being the basis of interaction between public administration (three spheres of government, organs of state, public enterprises) and society. The ETD interventions are delivered to public representatives and public servants and are clustered in accordance with the following occupational bands:

i. **Cadet and Foundation Development:** Providing ETD interventions to graduates who wish to join the public service, public service interns and public servants up to occupation level 8 (support staff, administrators and supervisors). Emphasis is placed on understanding the rules of government and service delivery excellence (especially as most front-line officials are in this band).

ii. **Middle Management Development:** Providing ETD interventions for occupational levels 9-12 (junior and middle managers) with emphasis on occupational skills (know-how), supply chain management, budgeting, supervisory skills and pathways to (further) qualifications.

iii. **Senior Management Development and Professionalisation:** Providing ETD interventions to senior managers between levels 13 and 14(Directors and Chief Directors). Chapter 4 of the SMS Handbook determines a set of competencies that employees in these core categories should have. These include analytical skills, problem-solving, and the ability to manage money and people. This is in addition to the core competencies (expertise) required to perform as a professional in finance, ICT, issuing licenses/permits, policy formulation and monitoring, planning and implementing built environment projects like housing, road construction, water provision, etc.

iv. **Executive Development and Leadership Support.** This band is complex because it caters to occupational levels 15-16 (Deputy Director-General, Director-General) and Political Office Bearers. In addition to top-up training on the requirements of Chapter 4 of the SMS (for DDGs and DGs), this category of leadership in the public sector is expected to lead as experts and advisors both in the work of departments and government and as nurtures of talent, stewards of public funds and champions of transformation. The NSG has shifted its focus to expose this layer of government to design theories, modelling and forecasting, leadership by outcomes, talent management, and the management of the political-administrative interface. As for the political office bearers, we are focusing on building expertise in areas such as economic governance, political oversight and accountability, using instruments like the Executive Ethics Code and Public Finance Management Act (PFMA).

The NSG is located in the City of Tshwane Municipality, in the suburb of Sunnyside. This is the main office of the NSG, and a significant portion of training sessions are undertaken in training facilities on these premises.

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2. LIST OF ACRONYMS

AGSA	Auditor-General of South Africa
AMDIN	African Management Development Institutes Network
AO	Accounting Officer
AOP	Annual Operational Plan
APP	Annual Performance Plan
AUC	African Union Commission
B-BBEE	Broad-Based Black Economic Empowerment
BB2E	Breaking Barriers to Entry
CFO	Chief Financial Officer
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EMC	Executive Management Committee
EMDP	Emerging Management Development Programme
EU	European Union
EIP	Executive Induction Programme
ETQA	Education and Training Quality Assurance
GRAP	Generally Recognised Accounting Practice
HEIs	Higher Education Institutions
HOD	Head of Department
KPA	Key Performance Area
LG SETA	Local Government Sector Education and Training Authority

MANCO	Management Committee
MOU	Memorandum of Understanding
MPSA	Minister for the Public Service and Administration
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NSG	National School of Government
NT	National Treasury
PSC	Public Service Commission
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PSETA	Public Service Sector Education and Training Authority
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management System
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMS	Senior Management Service
TNA	Training Needs Analysis
TR	Treasury Regulations
TTA	Training Trading Account

3. FOREWORD BY THE MINISTER

INKOSI E.M BUTHELEZI, MP

MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

It gives me immense pleasure to table the Annual Report for the National School of Government (the NSG) covering the 2024/25 financial year. The tabling of this Annual Report signals the final year of reporting on the five-year strategic plan (2020-2025). In this regard, I am pleased to report that over this five-year period, the NSG has trained more than 406 116 learners and generated revenue of over R485 million.

During the 2024/25 Budget Vote Speech tabled on 12 July 2024, I indicated that "by expanding its' mandate to encompass all spheres of government, the NSG helps cultivate professional public servants who are not only technically competent but also imbued with the values and principles of Batho Pele and the Constitution". During this financial year, the NSG has undertaken targeted education, training and development (ETD) interventions to strengthen the capabilities of public servants and leaders in the areas of political leadership, economic governance, strategic oversight and administrative excellence. In this regard, a total of 112 855 learners were trained, which is significantly higher than the pre-determined performance target of 50 500. This is attributed to the commitment and perseverance of the NSG staff to design and deliver courses and programmes. I am also pleased that the pre-entry course to the Senior Management Service, Nyukela, is being delivered in line with the ministerial directive. In this financial year, 6 433 learners enrolled for Nyukela, with 4 310 learners successfully completing it.

The NSG continues to strengthen its partnerships domestically and internationally to leverage relevant expertise. Over the last five years, it has emphasised the quality, extent and impact of ETD interventions. During this financial year, the NSG implemented four international partnerships and seven collaborations to support public sector capacity development. During the financial year, the NSG also signed an MoU with Microsoft South Africa and the Administrative College of India (ASCI). These partnerships and collaborations give public sector officials access to international expertise on matters relevant to public sector development and performance.

"We are particularly excited about the launch of the National AI Skilling Initiative that will focus on providing AI skills training for public servants. We look forward to the signing of the MOU between Microsoft, the National School of Government and the National Electronic Media Institute of South Africa"

– President Cyril Ramaphosa, Microsoft Investment and AI Skilling Initiative Announcement, March 2025

The NSG remains pivotal in the implementation of the National Framework towards the Professionalisation of the Public Sector. I am pleased that the Nyukela Programme has been revised to now focus on SMS levels 15 and 16 (i.e. Deputy Directors-General and Directors-General), and the NSG has conducted 20 advocacy sessions, including engaging with professional bodies.

In conclusion, I wish to acknowledge and express my appreciation to the Principal, Prof. Busani Ngcaweni, the executive leadership, management, and staff for their dedication and commitment to building state capacity. At the time of tabling the Annual Report, Prof. Ngcaweni resigned from his position on 31 July 2025. I take this opportunity to wish Prof. Ngcaweni well in his future endeavours, after having served as a public servant for more than 20 years. He has indeed been instrumental in leading the NSG to become one of the most recognised training institutions.

INKOSI E.M BUTHELEZI, MP

MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

4. DEPUTY MINISTER STATEMENT

MS PINKY KEKANA, MP

DEPUTY MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

The 2024/25 financial year, which coincides with the 30th anniversary of our democracy since 1994, reflects a remarkable journey towards building a new national democratic society. As highlighted by President Cyril Ramaphosa in his 2024 State of the Nation Address, over these three decades, South Africa has established strong institutions that safeguard fundamental freedoms and human rights, transforming the lives of millions. During the sixth administration's five-year term, our apex priority has been to build a capable, ethical, and developmental state. The National School of Government (NSG) has played a pivotal role in advancing capacity-building efforts to realise this vision.

"24/25 FY coincides with the 30th anniversary of democracy which reflects a remarkable journey towards building new democratic society"

As we conclude the 2024/25 financial year and the NSG's five-year strategic plan (2020–2025), I am proud to present the annual report that highlights the NSG's vital role in strengthening state capacity and capability. The NSG has significantly expanded its mandate, attracting a diverse range of participants, including political office holders, traditional leaders and the youth, which is reflective of its expanding influence. To support this diversity, the NSG has adapted its curriculum and delivery methods to ensure meaningful engagement. In response to evolving demands, the institution has recalibrated its offerings through a combination of compulsory and demand-driven short learning programmes, executive education, just-in-time capacity building, and targeted institutional support. Notably, the NSG has facilated over 20 strategic planning workshops, underscoring its commitment to institutional strengthening and effective change management.

Since Cabinet's approval in August 2020, the Economic Governance School Programme has been a key initiative for executive members across all spheres of government and is now extending its impact beyond South Africa to other African countries. In 2024, this milestone was marked by a successful collaboration with Zambia, where the entire Zambian Cabinet participated.

The NSG has also cultivated and maintained global partnerships, facilitating capacity development through a blend of short online and offline programmes. Throughout the year, numerous public officials benefited from international courses enabled through these strategic alliances. Furthermore, the NSG has enhanced thought leadership in the public sector by hosting masterclasses and webinars that foster dialogue, innovation and knowledge sharing.

As we present this Annual Report, we acknowledge with gratitude the exemplary leadership of Prof. Busani Ngcaweni, whose tenure as Principal elevated the NSG to a position of global recognition and respect. While we regret his departure to pursue other aspirations, the Ministry reaffirms its commitment to supporting the NSG's management and staff in continuing to build on his enduring legacy.

MS PINKY KEKANA, MP

DEPUTY MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

5. REPORT OF THE ACCOUNTING OFFICER

MS. PHINDILE MKWANAZI

ACTING PRINCIPAL: NATIONAL SCHOOL OF GOVERNMENT

The foremost priority of the sixth administration was to build a capable, ethical and developmental state. As President Cyril Ramaphosa consistently emphasises, our public sector requires qualified public servants with relevant skills and competencies for the job they have been employed to do and ethical dispositions steeped in the Batho Pele principles. The NSG must ensure that it provides ETD interventions to appointed public servants and elected public representatives so that they can fulfil their responsibilities.

It is now well acknowledged that as an institution, we have made strides towards meeting the expectation of delivering high-impact programmes at scale. Responsiveness, adaptability and resilience have been key features of our work during the year under review. These include designing and introducing new products that seek to bring new skills into the public sector. As an example, we continued to get more elected officials and traditional leaders into the classrooms as we expanded offerings into the political leadership. All of these developments have put us in good stead to become a premier national academy that is trusted and preferred because of its depth, dynamic delivery and impact.

The National School of Government (the NSG) is a part of the portfolio of institutions reporting to the Minister for the Public Service and Administration. We have a mandate to provide or facilitate the provision of education, training and development (ETD) in the three spheres of government, state-owned entities (SOEs) and organs of state. Our mandate is in line with Section 195 of the Constitution of the Republic of South Africa, 1996, which declares public administration to be development-oriented and participatory, and the basic values and principles being the basis of interaction between public administration (three spheres of government, organs of state, public enterprises) and society.

"During these five years, the NSG experienced several successes attributed to innovative design, delivery practices and brand positioning"

Overview of the operations of the National School of Government

In terms of current legislative arrangements, government departments must annually budget one per cent of the employee compensation budget for the training of its employees. The responsibility for training employees is vested with accounting officers and is undertaken primarily through competitive procurement processes. The NSG is required to generate revenue to ensure its financial viability and sustainability, and, as such, the NSG is placed on a competitive and cost-recovery footing, together with internal and external training providers.

The cost recovery model consists of partial funding appropriated by Parliament and income derived from cost recovery through training course fees, which is managed in the Training Trading Account (TTA). The cost-recovery model approach requires that all costs associated with the design and development of learning material and the implementation of training courses are recovered from the training fees.

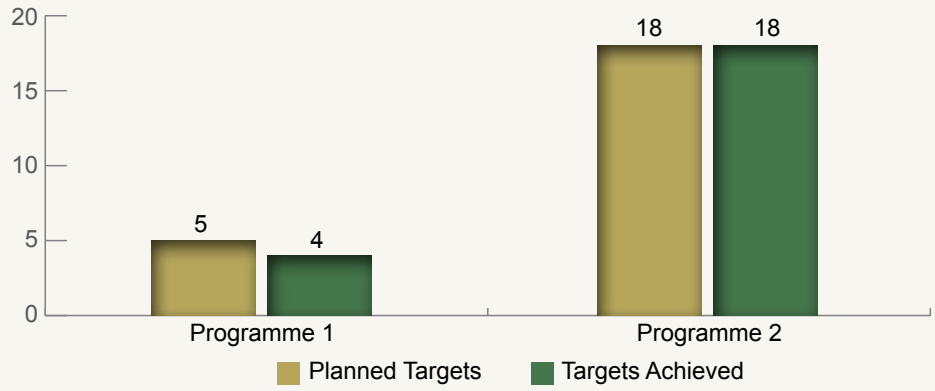
Compulsory and demand-led ETD is provided in four occupational bands (Cadet and Foundational Development, Middle Management Development, Senior Management and Professionalisation, and Executive Management and Leadership Support) through accredited and non-accredited programmes and courses. The NSG delivers on its mandate by adopting a blended approach of classroom interaction, online learning, onsite experimentations, webinars, thought leadership master classes and conferences.

Annual Performance Plan 2024/25

The Annual Report for the 2024/25 financial year marks the fifth and final year of implementation and performance of the five-year strategic plan (2020-2025). Since the implementation of the strategic plan in the 2020/21 financial year, the NSG has been committed to delivering against the strategy without any amendments or refinements to it. As we complete the final year of implementing the strategy, it is our firm view that the strategy has remained relevant and strengthens our planning for the next five years.

This financial year further signified the NSG increasing its footprint in delivering ETD interventions towards building state capacity. In this financial year, a total of 23 performance targets were set in the annual performance plan, of which 22 were achieved. This translated to a performance achievement of 96% of the total planned targets, a summation of which per programme is shown below:

Graph 1: Annual Performance per Programme



What is of significance to the NSG since the commencement of the current strategic period is the exponential growth of the open distance eLearning, which the NSG has been monitoring and reporting on. In this financial year, the eLearning courses provided enrolment to 134 705 learners, with 92 395 completed.

Highlights of Performance

A total of 112 855 were trained against a pre-determined target of 50 500. Since the commencement of the current strategic period from 2020/21, a total of 406 116 learners were trained.

The pre-entry programme to the Senior Management Service, Nyukela, is being delivered in line with the directive issued by the MPSA. Any individual wishing to join the SMS echelon must complete this pre-entry course. In this financial year, 6 433 learners (prospective and serving public servants) enrolled for Nyukela, with 4 310 learners successfully completing it.

The Ethics course is one of our flagship programmes, and it has also been made compulsory for all public servants. In this financial year, there was a total enrolment of 71 255, with 55 326 learners completing the course (77% achievement).

The NSG has been facilitating strategic planning and change management sessions with public sector institutions. A total of 36 sessions were facilitated during this reporting period.

International Relations and Partnerships

The NSG continues to strengthen its partnerships domestically and internationally to leverage relevant expertise. The NSG five-year strategy (2020-2025) emphasises ensuring the quality, extent and impact of ETD interventions. Equally significant is the emphasis on developing, managing and sustaining partnerships and collaboration – public, private, domestic and international that is in line with the prescripts of the Public Administration Management Act, 2014. To execute this mandate, the NSG approved its partnership strategy, which addresses three specific objectives:

1. Support the development and domestic rollout of relevant and quality ETD interventions for development outcomes.
2. Maximise international exchanges in specialist areas necessary for public sector development and improved service delivery.
3. Mobilise resources to support special projects for capacity building in South Africa and the African continent.

In the period under review, 4 international partnerships and 7 international collaborations were implemented to support public sector capacity development. The partnerships implemented are with the China-Africa Institute, China National Academy of Governance, German Institute for Development and Sustainability (IDOS), and Fudan University. These partnerships and collaborations give public sector officials access to international expertise on matters relevant to public sector development and performance but not readily available within the NSG suite of courses.

During the financial year, the NSG also signed an MoU with Microsoft South Africa and the Administrative College of India (ASCI). Lastly, the NSG organised a number of masterclasses with its international partners on critical public affairs matters.

Africa Affairs

South Africa participates in various continental and global bodies responsible for governance, capacity building and public sector reform. These bodies include the African Union Specialised Committee on Public Administration, the Southern African Development Community (SADC) and the BRICS. Of note is the relationship with various Management Development Institutes and Schools of Government as part of the African Management Development Institute's Network (AMDIN). It is a continental network that strengthens MDIs and is crucial in providing capacity building on the continent. The NSG continues to provide secretariat support to the Network. In line with South Africa's foreign policy and Africa's interests, the purpose of NSG participation in these bodies is to influence public sector capacity building and promote the AU Agenda 2063.

Notably, during this financial year, the NSG: .

- Entered into an MoU on 26 March 2025 with ENA Burundi to work jointly on capacity building.
- Successfully hosted a virtual webinar on 5 March 2025, in collaboration with Ghana Institute of Management and Public Administration (GIMPA) and Kenya School of Government (KSG) under the theme "Making Africa Competitive Amidst Global Uncertainties."
- Undertook the online training of the African Charter on the Values and Principles of Public Service and Administration, with 25 participants completing the course.
- Preparing and planning towards the inaugural African Conference of Public Affairs and Development (ACPAD), to be held in Ghana.

Overview of Financial Results of the National School of Government

The School operates a Trading Account for its training operations. It submits separate financial statements for the NSG Training Trading Account (TTA), a trading entity established in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended.

The statements are prepared in accordance with South African Statements of Generally Recognised Accounting Practice (SA GRAP). To achieve full compliance with accrual accounting requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

Vote

The full budget appropriation for the year 2024/25 was R218.7 million, a 1.1% decrease from the R221.1 million allocation received in 2023/24. The decrease was due to budget cuts initiated by the National Treasury. A saving of 1.2%, i.e. R2.7 million, was realised at the end of the financial year.

Departmental receipts

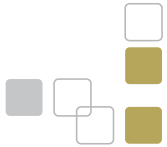
Departmental receipts	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-
Sale of goods and services other than capital assets	32	47	15	32	38	6
Interest, dividends and rent on land	39	-	39	39	1	38
Sale of capital assets	-	60	60	-	5	5
Financial transactions in assets and liabilities	261	177	84	260	246	14
Total	**332**	**284**	**48**	**331**	**290**	**41**

Total departmental receipts revenue decreased by R0.006 million, from R0.290 million (2023/24) to R0.284 million (2024/25), the decrease is due to financial transactions in assets and liabilities.

Course fees are determined on a cost-recovery basis in accordance with Treasury Regulation 19.5.2. The tariffs are assessed annually and revised as deemed necessary as part of the ongoing NSG financial status reviews and in accordance with Treasury Regulation 19.5.3. There was no course fees increase applied for the Financial Year 2024/25.

Programme Expenditure

Programme Name	2024/2025			2023/2024		
	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	110,780	108,079	2,701	113,338	110,396	2,942
Public Sector Organisational and Staff Development	107,944	107,944	-	107,802	107,802	-
Total	**218,724**	**216,023**	**2,701**	**221,140**	**218,198**	**2,942**



Programme 1: Administration

The total expenditure breakdown of R108.0 million for 2024/25 and spending patterns, compared to the 2023/24 financial year, is summarised as follows:

Compensation of employees for the Vote-funded staff component of NSG increased by 9.4% from R58.4 million (2023/24) to R63.9 million in 2024/25 due to the filling of vacancies and adjustment of the cost of living as issued by the National Treasury. Goods and services decreased by 13.2% from R47.5 million (2023/24) to R41.2 million in 2024/25. The decrease is due to operating lease payments and travel and subsistence. Expenditure on capital assets decreased by 35.7% from R4.2 million (2023/24) to R2.7 million in 2024/25. The decrease is due to a delay in the procurement of the office furniture and the gym equipment.

Programme 2: Public Sector Organisational and Staff Development

The transfer of funds from Vote to the Training Trading Account (TTA) was R107.9 million in 2024/25.

Training Trading Account (TTA)

The department operates a trading account for its training operations. The Department submits separate financial statements for the NSG Training Trading Account (TTA), a trading entity established in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended. The statements are prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP). To fully comply with accrual accounting requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

Total revenue (including the transfer of funds from the Vote appropriation for the financial year (2024/25) decreased by R39.1 million from R269.8 million (2023/24) to R230.7 million (2024/25). Income from course fees decreased by 28.2%, from R141 million (2023/24) to R101.3 million (2024/25). The transfer of funds from the Vote to Trade increased by 0.13% from R107.8 million (2023/24) to R107,9 million (2024/25).

Total expenditure in the TTA increased by R28.2 million from R241.4 million in 2023/24 to R269.6 million in 2024/25. The increase is related to operating expenses for the delivery of training as the client department are take up training. The TTA closed the year with a surplus of R28.4 million in 2023/24 and the closing status in 2024/25 is a deficit of R38.8 million.

Summary of Irregular, Unauthorised, Fruitless, and Wasteful Expenditure

Vote Account – An amount of R0.019 million was confirmed to be a fruitless and wasteful expenditure incurred during the year under review. The expenditure is related to flight bookings of NSG employees who had travelled and changes in the travel plan based on the immediate family member getting ill. The matter was reviewed and classified as losses.

Trade Account – An amount of R0.017 million was confirmed to be a fruitless and wasteful expenditure incurred during the year under review. The expenditure is related to the cancellation of a flight ticket and a penalty invoice for a wrongly dated invoice issued for the training venue. The matter is under investigation.

Strategic focus over the short to medium-term period

In 2020, the NSG determined a five-year strategy, which culminated in the articulation of a new vision and mission and the establishment of a specific outcomes framework for the future. We recognised that the strategy and related actions are unfolding dynamically and require changes to the institution's operations and structural configuration.

Over the short to medium-term period, we will focus on the following:

1. Strengthening state capacity by enhancing governance and execution capabilities.
2. Institutionalising professionalisation in the public sector through capacity-building initiatives.
3. Building digital capability and integrating technology into ETD programmes to ensure relevance in a rapidly changing environment.
4. Navigating political landscapes and complexities by fostering resilience, creativity and adaptability.
5. Collaborating with international partners, higher education institutions and the private sector to enhance ETD quality and accessibility.

Public-Private Partnerships

The NSG did not enter into any PPP contracts during the 2024/25 financial year.

Discontinued key activities/activities to be discontinued

There were no activities discontinued or to be discontinued during the financial year.

New or proposed key activities

No new activities were started or proposed during the financial year.

Supply Chain Management

No unsolicited bid proposals were concluded for the year under review. The supply chain management processes and systems were in place throughout the financial year to prevent irregular expenditure.

Gifts and Donations received in kind from non-related parties

NAME OF DONOR	PURPOSE	REVENUE
		R'000
Nedbank (PTY) LTD	Utilisation of venue for delivery of training	514
TOTAL		**514**

Exemptions and deviations received from the National Treasury

No exemptions from the PFMA or Treasury Regulations or deviation from the financial reporting requirements were requested for the current and/or prior financial year.

Events after the reporting date

The NSG is not aware of any events subsequent to the year-end which might require adjustment of the stated figures.

Other

The NSG is not aware of any events subsequent to the year-end which might require adjustment of the stated figures.

Acknowledgement/s or Appreciation

I would like to express my appreciation to our Minister for the Public Service and Administration, Inkosi Mzamo Buthelezi and Deputy Minister for the Public Service and Administration, Ms Pinky Kekana, for their leadership, guidance and support towards the NSG in delivering on its mandate. I would also like to express my appreciation to the management and staff of the NSG for their commitment. I take this opportunity in expressing appreciation to my predecessor, Prof. Busani Ngcaweni, who led this organisation in the implementation of the strategic plan over the last five years, and under whose leadership the NSG has grown. On behalf of the management and staff of the NSG, I take this opportunity in wishing Prof. Ngcaweni well in his future endeavours.

The NSG partners and senior fellows Dr Mervyn King, Dr Eric Li, H.E Ambassador Nosipho Jezile, Prof Mariana Mazzucato, Dr Cassius Lubisi, Mr Tshediso Matona, Mr Tembinkosi Bonakele, Ms Sindisiwe Mabaso-Koyana and Ms Phumla Williams as experts in their respective fields of work and have contributed greatly to various topics, discussion and engagements convened by the NSG. Lastly, I would also like to express my appreciation to Anglo-American for funding some of the NSG programmes and enabling public servants to participate in these programmes. The continuing collaboration with the Nedbank and ABSA is highly appreciated.

Conclusion

During these five years, the NSG experienced several successes attributed to innovative design and delivery practices and brand positioning. These accomplishments include the following:

- Training more than 406 116 learners through diverse interventions and delivery modes.

- Generating revenue over R600 million from course fees. The Training Trading Account (TTA) absorbed costs from the expanded mandate, including work undertaken in developing the National Framework towards the Professionalisation of the Public Sector.
- Designing and implementing key flagship programmes such as the Compulsory Induction Programme, Nyukela, Khaedu, Ethics in the Public Service, Economic Governance School and other executive education courses.
- Establishing and sustaining relations with management development institutes (MDIs), government/ public administration schools and other institutions continentally and globally.

The NSG has been on a growth path that incorporates making public sector ETD more accessible, citizen-centric, and responsive to development and service delivery challenges. These interventions have been broadened to focus on the entire public sector spectrum. The reach has also grown in Africa through the African Management Development Institutes Network (AMDIN) and bilateral agreements with management development institutes (including the Kenya School of Government and Ghana Institute of Management and Public Administration). The NSG also strengthened its international footprint with partnerships that include the World Economic Forum, Chandler Institute of Governance and the China-Africa Institute. The NSG has been responsive to new developments locally and globally. The value of the NSG has been further affirmed through various new initiatives and activities, the broader mandate accorded to it, and the growing pressure exerted for in-depth capacity-building activities. The pace of change and the NSG's efforts to deliver at scale and responsively have unfolded without considering the imperatives of the need to reposition fully.

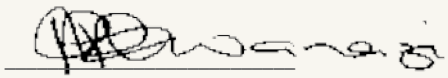
Several modifications in the NSG's scope and changes in the public sector's capacity and capability development demands created the impetus for the NSG to reposition itself better to serve the complex demands of the target audiences. An imperative for repositioning the NSG is to guarantee that the institution expands its leading role in capacity building in the public sector. It continues to be instrumental in leading the state towards future thinking on the capabilities required for transforming society. The NSG must lead initiatives towards building such capabilities of state officials and state institutions.

The NSG is, because of growing demands, further recalibrating its ETD offerings to be more responsive to a changing mandate by providing compulsory and demand-driven short learning programmes, qualifications, executive education, continuous professional development, just-in-time capacity interventions and offering institutional support interventions (such as training needs analyses, strategic planning and change management). These require a variety of delivery modalities, including contact learning (physical and virtual), asynchronous open-distance eLearning, blended learning, just-in-time/ customised learning, field visits, augmented/immersive learning, and simulations.

Approval and sign-off

There were material findings on the Training Trading Account related to non-compliance and internal control deficiency, which resulted in a qualified audit opinion. The Vote has, yet again, achieved an unqualified audit opinion. The qualified audit opinion on the TTA stems from the implementation of a new Training Management System, which replaced the old system, and was implemented during the financial year. The new system is aimed at paperless management of training records from quotation to issuing of the certificate of completion, which then results in a more accurate revenue reconciliation with learner records. However, in the migration from the old to the new system, some records were not quality assured, which impacted the reconciliation of training numbers with revenue generated. The workflow process has been corrected to prevent further occurrences.

The Accounting Officer approved the audited Annual Financial Statements of Vote 7 and the Annual Financial Statements of the Training Trading Account. The report is attached.



MS PHINDILE MKWANAZI

ACCOUNTING OFFICER: NATIONAL SCHOOL OF GOVERNMENT

DATE: 31 AUGUST 2025

6. 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 E) 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 judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of 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, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.

Yours faithfully

MS. PHINDILE MKWANAZI

ACCOUNTING OFFICER

NATIONAL SCHOOL OF GOVERNMENT

DATE: 31 AUGUST 2025

7. STRATEGIC OVERVIEW

7.1 Vision

Build an Ethical and Capable Public Sector in Service of the People

7.2 Mission

To empower public servants to be responsive to citizen needs and government priorities through education, training and development interventions.

7.3 Values

The following values define the NSG: LEARN. SERVE. GROW.

LEARN: expanding learning opportunities for public servants to master statecraft

SERVE: building the capacity (and culture) of public servants to serve society effectively

GROW: helping public servants to combine learning and service (experience) to grow professionally

Furthermore, the NSG is also committed to and will fulfil its mandate by subscribing to the following set of values, which are:

- Being PROFESSIONAL
- Being RESPECTFUL
- Behaving in an ETHICAL manner
- Finding INNOVATIVE ways
- Working with INTEGRITY

8. LEGISLATIVE AND OTHER MANDATES

8.1 Constitutional Mandate

The basic values and principles governing public administration under section 195(1) form the basis for public service interaction with society in delivering services to our citizens. These are applicable to all three spheres of government, organs of state, and public enterprises. Section 239 of the Constitution defines an organ of state as any department or administration in the three spheres of government; or any other functionary or institution exercising a power in terms of the Constitution or exercising a public power or performing a public function in terms of any legislation but does not include a court or a judicial officer.

The National School of Government (NSG) draws its mandate from the Constitution, and with particular reference to 195(1) (h), which stipulates that: "good human resource management and career-development practices, to maximise human potential, must be cultivated". The applicability of this, and the other values and principles to the three spheres of government, organs of state and public enterprises indicates the requisite depth and the reach of the NSG in order to fulfil this constitutional mandate.

The NSG has to ensure that all of the basic values and principles are inculcated into the value system and performance of all public servants and representatives through education, training and development (ETD) initiatives. It does so through its curriculum design, development and delivery approach with the practical application of participatory, people-centred methodologies and indigenous techniques during the ETD initiatives, in building a caring ethos and citizen-centred service delivery focus amongst public servants. This approach consciously focuses on the application of the principles and values of the Constitution and the realisation of the public administrative justice to all whom we serve.

Section 197 of the Constitution provides for a public service within public administration, which must function, and be structured, in terms of national legislation, and which must loyally execute the lawful policies of the government of the day.

8.2 Legislative and Policy Mandates

The National School of Government, as a national public service department, thus draws its mandate from national legislation – the Public Service Act, 1994 (Proclamation 103 of 1994), as amended. This is the core mandate which establishes the NSG for it to fulfil a function of providing training or causing the provision of training to occur within the public service. Accordingly, section 4 of the Act provides the following mandate:

(1) There shall be a training institution listed as a national department (in Schedule 1 of the Act).

(2) The management and administration of such institution shall be under the control of the Minister (Public Service and Administration).

(3) Such an institution-

a. shall provide such training or cause such training to be provided or conduct such examinations or

Section 195(1) of the Constitution

(a) A high standard of professional ethics must be promoted and maintained.

(b) Efficient, economic and effective use of resources must be promoted.

(c) Public administration must be development-oriented.

(d) Services must be provided impartially, fairly, equitably and without bias.

(e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.

(f) Public administration must be accountable.

(g) Transparency must be fostered by providing the public with timely, accessible and accurate information.

(h) Good human resource management and career-development practices, to maximise human potential, must be cultivated.

(i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

tests, or cause such examinations or tests to be conducted as the Head of the institute may with the approval of the Minister decide or as may be prescribed as a qualification for the appointment or transfer of persons in or to the public service;

b. may issue diplomas or certificates or cause diplomas or certificates to be issued to persons who have passed such examinations.

Whilst this piece of legislation empowers the NSG to fulfil its mandate, the limitation of the Public Service Act is that it is applicable to the national and provincial spheres of government. Another piece of enabling legislation - Public Administration Management Act, 2014 (Act No. 11 of 2014) - gives effect, inter alia, to the progressive realisation of the values and principles governing public administration across the three spheres of government. The current provisions of the Act in relation to the NSG are as follows:

Section 11:

(1) The National School of Government will, in consultation with the Minister responsible for higher education and training, be established as a higher education institution contemplated in the Higher Education Act, 1997 (Act No. 101 of 1997).

(2) The School must, through education and training, promote the progressive realisation of the values and principles governing public administration and enhance the quality, extent and impact of the development of human resource capacity in institutions.

(3) The School must give effect to subsection (2) by—

a. subject to the National Qualifications Framework Act, 2008 (Act No. 67 of 2008), providing such education and training or causing such education and training to be provided or conducting or cause such examinations or tests as the Head of the School determines;

b. interacting with and fostering collaboration, in consultation with the Minister responsible for higher education and training, among training institutions, higher education institutions, further education and training institutions and private sector training providers in furtherance of such education and training; and

c. performing any other function or exercising any other power as prescribed.

(4) The provisions of this section do not affect institution or sector specific training.

Section 12:

(1) The Minister, in consultation with the Minister responsible for higher education and training, may direct the School to provide qualifications, part qualifications and non-formal education as recognised by the National Qualifications Framework or the South African Qualifications Authority.

(2) Insofar as a directive under subsection (1) applies to municipalities, the Minister must act in consultation with the Minister responsible for local government and after consultation with organised local government.

Section 13:

(1) The Minister may, after approval by the Cabinet, direct that the successful completion of specified education, training, examinations or tests is—

a. a prerequisite for specified appointments or transfers; and

b. compulsory in order to meet development needs of any category of employees.

(2) The Minister must consult organised local government and obtain the concurrence of the Minister responsible for local government before seeking the approval of the Cabinet contemplated in subsection (1) in respect of a directive to be applicable to municipalities.

It is important to recognise Proclamation 15 of 2019 ('Commencement of certain provisions of the Public Administration Management Act, 2014 (Act No. 11 of 2014)') by the President of the Republic of South Africa dated 18 March 2019. In terms of this Proclamation, the Act take effect from 1 April 2019, except for sections 5, 6, 7, 9, **11**, **12** (as discussed above) and 19 of the Act.

Under the leadership of Minister for the Public Service and Administration, the legislative processes of the Public Administration Management Act as it relates to the

NSG are being addressed. This will include amendments to certain provisions of the Act, which could facilitate the process to register the NSG as a recognised training college and that is aligned to the provisions of the Higher Education Act, 1997 and the National Qualifications Framework Act, 2008.

In addition to the aforementioned sections of legislation, the NSG is also governed by the Public Finance Management Act, 1999 (Act No. 1of 1999), as amended, and Section 19 of the Treasury Regulations as it relates to the establishment and management of the Training Trade Account (TTA). The Treasury Regulations provides that, in determining charges for goods or services, the head of the trading entity must aim to recover the full cost of providing the goods or services, unless the relevant treasury approves lower charges; and that the head must review rates for user charges at least annually before the budget, and any tariff increases are subject to approval by the relevant treasury. The National School of Government TTA operates on a cost recovery model with partial funding from transfers received. The cost recovery model approach requires that the entity recovers all costs associated with the design and development of learning material and implementation of training courses from the course fees.

In 1998, government published the White Paper (WP) on Public Service Training and Education (Notice 1428 of 1998), to provide a "policy framework that will enable public service training and education to be appropriate, adequate and accessible and will meet the current and future requirements of public servants, the public service and the public" (WP). The WP sought to address a fragmented and uncoordinated approach to training and education across the public service. Training and education was inappropriately provided by many in-service and external providers.

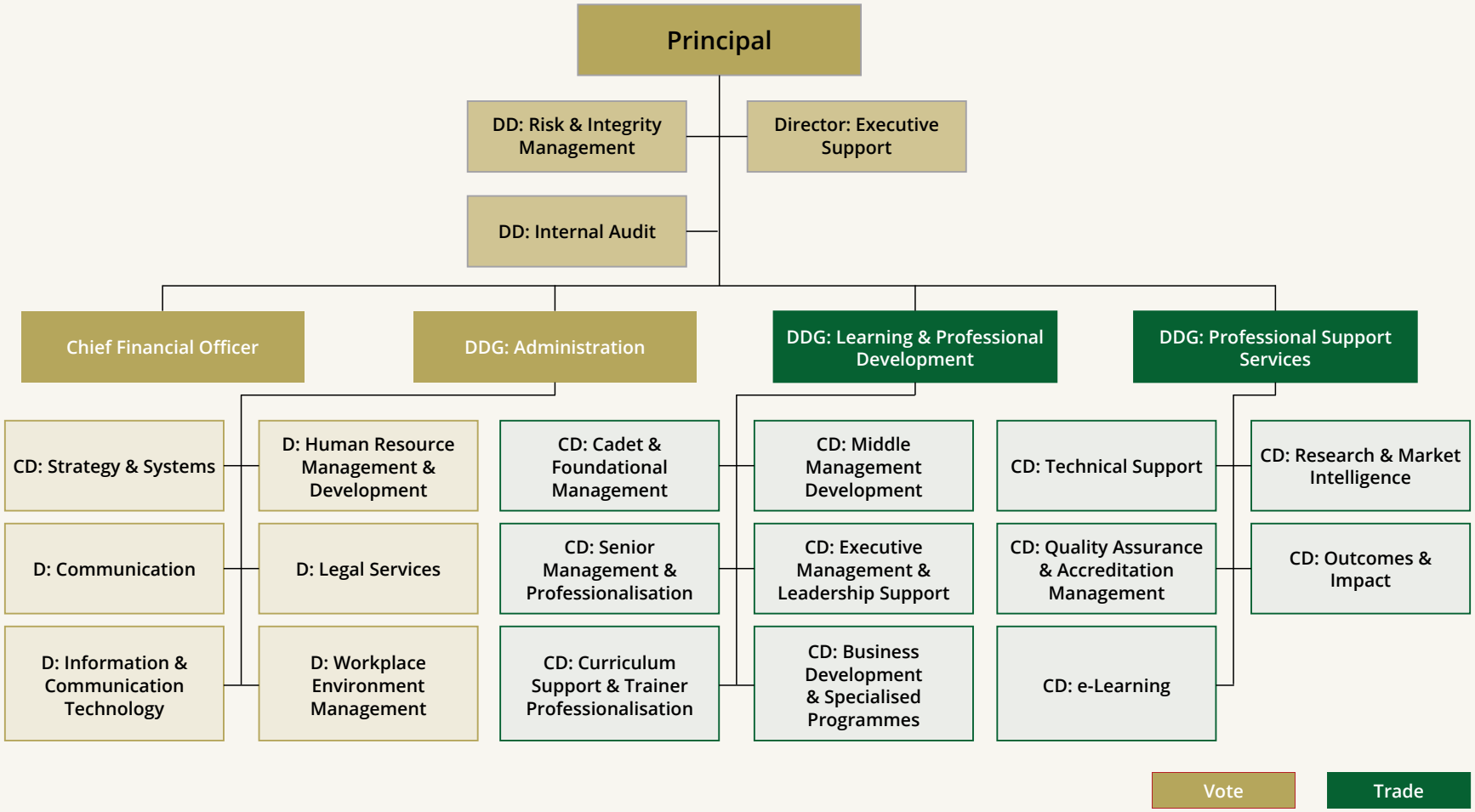
The policy alternatives and options articulated in the WP has also informed the organisational structuring and delivery model of the NSG, which is that of a competitive environment for public and private training provider to deliver training, operating within a uniformly applied set of national norms and standards. The policy option of centralised setting of norms and standards, together with decentralised provision by state and non-state providers in a competitive framework was selected, as the White Paper notes, "because it combines maximum creativity and flexibility at the delivery end, but without undermining the need to build a unified public service with a common culture and value system".

The learning principles for Public Service education and training, as articulated in the White Paper on

Public Service Training and Education (Notice 1428 of 1998), include:

- All public servants will be entitled to ongoing and meaningful opportunities for education and training, on recruitment and throughout their working lives.
- Education and training programmes will be based on a detailed assessment of the needs of individual organisations and employees and will be designed in particular to secure an optimal fit between these two sets of needs.
- A competency-based approach to learning outcomes, with particular reference to the competence required at different levels to build individual and organisational capacity.
- Education and training programmes will be targeted in particular at facilitating career paths for all staff that promote progression (vertical and lateral) and productivity.
- Public Service education and training will be linked to the National Qualifications Framework (NQF) in ways which promote lifelong learning and the development of portable skills and competence.
- Training, education and development will be promoted in ways which enable public service institutions to become learning organisations, capable of continuous development and adaptation through the creative integration of learning with work at all levels.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Department of Public Service and Administration (DPSA)	Public Service Act, 1994 (as amended)	Contractual based on programmes jointly implemented or procurement of the NSG services	Policy development and enforcement in the public service
Centre for Public Service Innovation (CPSI)	Public Service Act, 1994 (as amended)	Contractual based on programmes jointly implemented or procurement of the NSG services	The CPSI is an initiative of the MPSA, established to identify, support and nurture innovation in the public sector with a view to improving service delivery
Government Employees Medical Scheme (GEMS)	Medical Schemes Act, 1998	Contractual based on administration of employee members' medical aid contributions	Restricted membership to a medical scheme for public service employees

PART B:
PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide limited 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 104 of the Report of the Auditor General, published as Part F: Financial Information.

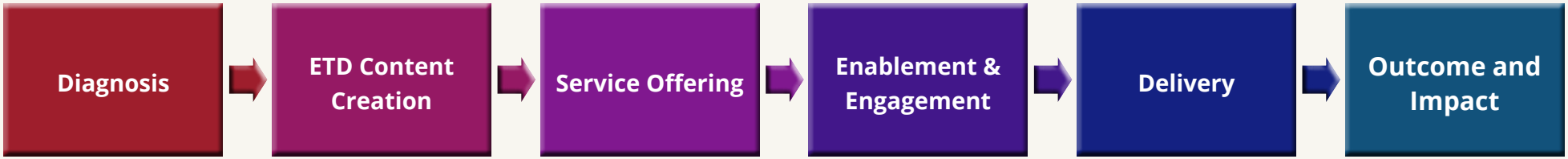
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The 1997 White Paper on Transforming Public Service Delivery (Batho Pele) emphasises the need for service delivery in the public service to be made a priority and sets out eight principles. These principles form the core of the relationship between the public service and the citizens. Furthermore, the Public Service Regulations (2016) requires that an executive authority (in the case of the NSG, being the Minister for Public Service and Administration) shall establish and maintain an operations management framework, which shall include:

- Approved Service Delivery Model
- List of core mandated services provided by the department
- Mapped business processes for all services
- Standard Operating Procedures for all services
- Service Standards for all services
- Service Delivery Charter
- Service Delivery Improvement Plan

During this financial year, the NSG has not been able to fully implement the Total Quality Management (TQM), as one of the deliverables which was a Business Process Management (BPM) Guideline had to be revised as a Standard Operating Procedure (SOP). This was after the realisation that a generic guideline would not be sufficient to drive consistency and institutional application of process management. The SOP will therefore be concluded in the new financial year. The TQM has a direct bearing with regard to the quality of services provided to critical key stakeholders. The service delivery environment is based on the following value chain:



2.2 Service Delivery Improvement Plan

Main Services and Standards

Main Services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievements
Access to training and development services through the NSG Contact Centre and training calendar of the NSG	All government departments and other state entities wishing to enrol employees for training	The NSG Contact Centre provides its services in line with the approved standard operating practices	Manage the Contact Centre strictly in line with the generally acceptable performance standards for the contact centre industry	In managing the Contact Centre in line with generally acceptable performance standards the contact centre received 4817 contacts, the average time to action the request was two days
Provide effective training and development management and delivery services to learners	All registered learners	The NSG reviews the training materials for relevancy to the learner competency requirements in line with his/ her job demands	Develop or review 8 programmes annually	8 new curriculum courses developed/ reviewed during the financial year.
Expeditiously provide learners with certificates, managed through an improved learner records management process	All registered learners	The NSG issued a total number of 41 254 certificates	Issue certificates for qualifying learners	The NSG cumulatively issued 195,590 certificates against the standard (as of 2020 to 2025)

Batho Pele arrangements with beneficiaries

Current/ Actual Arrangements	Desired Arrangements	Actual Achievements
The NSG subscribes to the Public Service Charter and has also developed a service charter and standards, which reinforces courteous behaviour towards service beneficiaries and citizens	Communication with NSG staff to re-inforce the principles of Batho Pele	As part of promoting the Batho Pele principles, the NSG successfully installed a Batho Pele lightbox in the reception area, displayed three multilingual posters across all floors, and ensured broad visibility by circulating the materials to all staff via internal communications and uploading them to both the intranet and internet platforms.

Service Delivery Information Tool

Current/ Actual Information Tools	Desired Information Tools	Actual Achievements
Service beneficiaries access the NSG information and services through the Contact Centre, website, exhibitions, departmental visits, course directory and brochures	Ensure that service beneficiaries have full access to NSG services through the monthly updating of the Contact Centre and NSG website, scheduled quarterly intergovernmental participation and quarterly update of the course directory	The NSG website is being effectively managed through updating content and advertising upcoming training programmes regularly. The NSG is also managing the website chat platform and communicating information through social media on platforms such as Twitter, Facebook and an online chat option with potential learners. YouTube is used to stream Master classes, webinars and upload NSG videos for advertising training programmes.

Complaints Mechanism

Current/ Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
The NSG did not have a formal complaints management mechanism in place. However, the QMS policies do provide learners with avenues for complaints and redress.	Develop a formal complaints management policy and mechanisms for addressing complaints management	The NSG has a formally approved complaints handling and compliments management policy.

2.3 Organisational environment

The NSG is legislatively mandated to provide training or facilitate the provision of training in the Public Service. In terms of current legislative arrangements, government departments must annually budget one per cent of the employee compensation budget for training of its employees. The NSG is required to generate revenue towards ensuring its financial viability and sustainability and, as such the NSG is placed on a competitive and cost-recovery footing, together with internal and external training providers.

The cost recovery model is made up of partial funding appropriated by Parliament and income derived from cost recovery through training course fees, which is managed in the Training Trading Account (TTA). The cost-recovery model approach requires that all costs associated with the design and development of learning material and implementation of training courses from the training fees are recovered.

The NSG has to maintain its accreditation status as a training provider and has continuously strengthened ties and forged strategic partnerships with ETQAs and the QCTO. In this regard, the NSG delivery of ETD is guided by a set of quality management system (QMS) policies, including Assessment Management Policy; Certification Policy; Learner Support and Management Policy; and Curriculum and Programme Management Policy.

The performance of the NSG is based on the APP for the 2024/25 financial year, which reflects the final year of the 2020-2025 Strategic Plan that was approved by the MPSA and tabled in Parliament. The planning, monitoring and reporting of performance is undertaken in line with the legislative prescripts as well as the internal policy on managing organisational performance. The process is undertaken as follows:

- Developing an Annual Performance Plan
- Developing and implementing detailed work plans, including an Annual Operational Plan and branch business plans

- Signing individual performance agreements in line with the School's performance and development management system
- Quarterly performance monitoring and review through the Executive Management Committee (EMC), Management Committee (MANCO) and Internal Audit
- Quarterly performance reporting to the MPSA, DPME and National Treasury

The NSG undertakes 100 per cent monitoring of all the training through the use of reaction evaluation questionnaires (REQs), which are completed by all participants, and facilitator feedback forms (FFFs), which are completed by the facilitator at the end of a training session. Reports are developed on every training intervention based on the feedback from the participants. These reports are handed to the programme managers in response to the areas which have been identified as areas for improvement. Several Application of Learning Studies (ALS) were undertaken, which are aimed at determining if the training provided by the NSG has made any difference to the individual and the department concerned.

The evaluation function in the NSG is completed in two ways, the first being the onsite observations conducted by the M&E specialists at selected training interventions. Instruments (with pre-defined criteria) are utilised to obtain information related to adult learning practices, the material, and logistical arrangements as observed during the training. Interviews are also conducted with the facilitator and a sample of the participants to obtain their views and experiences. A further level of evaluation has been implemented, which is the "application of learning studies", where the objective is to determine whether a programme has made any difference to performance (initially of the participants) after a particular training programme. It is anticipated that, as data is collected over a period of time from specific departments, a determination can eventually be made as to the effect of the training on the department.

2.4 Key policy developments and legislative changes

Reviewing of the Public Service Act (PSA) and Public Administration Management Act (PAMA)

The Department of Public Service and Administration is currently reviewing the Public Service Act, 1994; Public Service Regulations, 2016 and the Public Administration Management Act, 2014.

National Framework towards the Professionalisation of the Public Sector

The NSG was mandated by the Public Service and Administration Minister to lead the development of the National Framework towards the Professionalisation of the Public Sector. The National Framework towards the Professionalisation of the Public Sector was approved by Cabinet on 19 October 2022.

The Framework will also ensure that only qualified and competent individuals are appointed into positions of authority, in pursuit of a transformed, professional, ethical, capable and developmental public sector. Public officials should have the right qualifications and technical skills and be inducted into Batho Pele principles.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The NSG set five strategic outcomes for achievement over the five-year period. The performance of these outcomes in this financial year is discussed below.

Outcome 1: Functional and integrated institution

The objective of this outcome is to ensure that the NSG has the appropriate resources, systems and processes to enable the integrated delivery of ETD interventions. The performance of the outcome is measured through some of the following outputs:

- Implementing an operations management system and Total Quality Management Plan.
- Implementing ICT business solutions
- Ensuring effective financial management systems
- Positioning the brand of the NSG
- Effective research and knowledge management for ETD

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements are the implementation of 6 ICT business solutions that contribute toward effectiveness and efficiency of the electronic systems of the NSG; 20 communications interventions were undertaken to promote the NSG course offerings. The NSG Brand and Marketing Strategy was also successfully implemented enabling the increase in the visibility of the NSG intervention across the public service and various media platforms, to promote the NSG ETD interventions.

Outcome 2: Competent public servants who are empowered to do their jobs

The objective of this outcome is to ensure that public servants are empowered to do their jobs through the ETD interventions. The performance of the outcome is measured through some of the following outputs:

- Conducting Skills Audit for Infrastructure/ Frontline departments
- Developing courses/ programmes/ interventions responsive to identified skills gaps and government priorities
- Conducting advocacy sessions on the implementation of the National Framework towards the Professionalisation of the Public Sector
- Developing Nyukela Programme for SMS levels 15-16

During this reporting period, the NSG recorded achievements supporting this strategic outcome. Some of these achievements is completing skills Audits for two infrastructure departments (Department of Water and Sanitation and Public Works and Infrastructure) that will contribute towards achieving the desired competence with the intent to effectively implement the organisational mandate and improve service delivery; 8 courses/programmes/ interventions were developed/ reviewed; and 17 advocacy sessions were held as part of implementing the National Framework towards the professionalisation of the public sector. The Nyukela Programme for SMS level 15-16 was also developed and is anticipated to be implemented in the subsequent years.

Outcome 3: Sustainable partnerships and collaboration to support ETD interventions

The objective of this outcome is to ensure that partnerships and collaborations advance responsive ETD interventions. The performance of the outcome is measured through some of the following outputs:

- Establishing partnerships and collaborations with thought leaders in the public and private sectors
- Establishing and hosting thought leadership platforms, partnering with public and private institutions

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include 5 partnerships agreements entered which have resulted in the uptake of ETD interventions in this financial year. In establishing thought leadership platforms, the NSG has increased its footprint and reach through hosting webinars and master classes in which prevalent local and global matters are discussed, possible solutions identified to resolve them within the spheres of government.

Outcome 4: Quality ETD Practitioners

The objective of this outcome is to ensure that ETD practitioners are professionalised to deliver ETD interventions. The performance of this outcome is measured by the implementation of a Performance Management System Framework for ETD Practitioners to ensure the delivery of quality and teaching to respective learners enrolled for NSG courses. The NSG has managed to fully implement the ETD Performance Management System Framework.

Outcome 5: Responsive ETD Interventions

The objective of this outcome is to ensure that trainees are satisfied that NSG's ETD interventions are responsive to government priorities and performance improvement in the public sector. The performance of the outcome is measured through some of the following outputs:

- Providing ETD opportunities to learners through compulsory and demand-led programmes
- Courses/Programmes quality assured by the Quality Assurance Committee
- Active online ETD interventions
- Perception survey to determine learner satisfaction on NSG ETD interventions

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include 10 course materials that were developed/ quality assured by the Quality Assurance Committee and in line with the set criteria. As the department is moving towards offering more courses/programmes online there has been a significant improvement in the enrolment of online learning which has resulted in 92 395 learners completed e- Learning courses. Of significance is also the increased participation in the uptake of compulsory and demand-led programmes with 112 855 learners trained.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

The purpose of Programme 1 (Administration) is to facilitate the overall management of the School and provide for the responsibilities of the Principal, Branch Heads and other members of management. These responsibilities include providing centralised administrative, legal and office support services, human resources and financial management, communication, special projects, international relations, and internal controls and oversight.

Sub-programmes under Programme 1 are organised as follows:

- Sub-programme 1, Office of the Principal incorporates Internal Audit, Risk and Integrity Management
- Sub-programme 2, Office of the Chief Financial officer
- Sub Programme 3, Administration Branch incorporates Strategy and Systems, Legal Service, Communications, Human Resources, ICT and Workplace Environment Management

Programme 1 is anchored under the outcome of a functional integrated institution.

Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of 5 planned targets for the financial year; 4 targets were achieved, and one target was not achieved. The annual performance translates to 80% achievement. The achievement of the planned targets has contributed to the outcome of ensuring the NSG is a functional and integrated institution. The implementation of the Total Quality Management plan was not concluded due to revisions on the approach and the realisation that a generic guideline would not be sufficient to drive consistency and institutional application of process management. The approach will then be on the development of an SOP for business processes that will be concluded in the new financial year.

In terms of Digital Transformation, the NSG has embarked on a journey of identifying various technical solutions that would assist the organisation to move swiftly and align with the Fourth Industrial Revolution (4IR) era. In this financial year, the department focused on implementing various projects as part of an enhancement to the usage of the Microsoft package, which would enable ease and improve functionality within the organisation. The projects are Microsoft Teams telephony, SharePoint site for the department, MS Academic Licenses Renewals, among others.

The communications and marketing strategy was effectively implemented in branding and positioning the work of the NSG, as it was recognised across the various spheres of government as well as globally. The webinars held contributed to highlighting the capabilities of the NSG in the usage of digital tools and technical capabilities, as participation and discussions on topical matters attracted stakeholders from both public and private sectors.

The organisation has been determined to improve the Employment Equity (EE) statistics, which frequently change as a result of resignations and retirements. There has been a noticeable improvement towards achieving the planned targets with regard to promoting inclusivity within the organisation. The EE statistics reflect 50% of females employed at the SMS level, 26 % of Youth employed and 2.83% of persons with disability employed at the NSG. The NSG will continue with various interventions to further improve the EE statistics to ensure there is fair representation of target groups within the organisation.

Table: 2.4.4.2 Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

	PROGRAMME 1: ADMINISTRATION								
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
1.1	Functional integrated institution	Total quality management plan implemented	Percentage of total quality management plan implemented	• Total quality management plan not implemented. Progress reported on the two objectives: • Institutionalise TQM at the NSG • Implement Total Quality	Total quality management not implemented in the financial year	100% of total quality management plan implemented	Total quality management plan not implemented	100%	TQM guideline transformed to a more comprehensive Standard Operating Procedure (SOP) for business process management
1.2		Mapped business processes in line with operations management plan implemented	Number of mapped business processes in line with operations management plan implemented	4 mapped business processes in line with operations management plan implemented by March 2023	4 mapped business processes in line with operations management plan implemented	4 mapped business processes in line with operations management plan implemented	6 mapped business processes in line with operations management plan implemented	2	Preparatory work on planned mapping for knowledge management started in the previous financial year, making it possible to have additional processes mapped in the current financial year
1.3		ICT projects enabling NSG operations implemented	Number of ICT projects enabling NSG operations implemented	8 ICT business solutions enabling NSG operations implemented by March 2023	7 ICT projects enabling NSG operations implemented	6 ICT projects enabling NSG operations implemented	6 mapped business processes in line with operations management plan implemented	None	None

	PROGRAMME 1: ADMINISTRATION								
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
1.4		Material audit findings resolved by the end of the financial year	Percentage of material audit findings resolved by the end of financial year	100% (1/1) of material audit findings resolved by the end of financial year, March 2023	No material findings were identified in the audit process for the 22/23 financial year and therefore no findings to resolve by the end of financial year	100% of material audit findings resolved by the end of the financial year	No material findings identified in the audit process for the 23/24 financial year; therefore, no audit findings to be resolved by the end of financial year	None	None
1.5		NSG brand and marketing strategy implemented	Percentage of the NSG brand and marketing strategy implemented	50% of the NSG brand and marketing strategy implemented by March 2023	75% of the NSG brand and marketing strategy implemented	100% of the NSG brand and marketing strategy implemented	100% of the NSG brand and marketing strategy implemented	None	None

Linking performance with budget

Sub-programme expenditure

Sub- Programme Name	2024/2025			2023/2024		
	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
Management	10,382	10,133	249	12,349	11,205	1,144
Corporate Services	81,075	78,623	2,452	82,192	80,394	1,798
Property Management	19,323	19,323	-	18,797	18,797	-
Total	**110,780**	**108,079**	**2,701**	**113,338**	**110,396**	**2,942**

During this financial year, the Vote was allocated an amount of R110.7 million to fulfil the mandate and operations of the NSG. The under-expenditure has primarily been the result of compensation of employees mainly vacancies in the Vote. The expenditure in Programme 1 reflects the achievement of performance indicators particularly in the areas of ICT systems and solutions, facilities management as well as communications and marketing. Quite significant during this financial year is the utilisation of allocated budget to maximise and introduce digital tools in response to Digital Transformation. These efforts have contributed to the NSG fulfilling its mandate to deliver on education, training and development.

Strategy to overcome areas of under-performance

In addressing areas of under-performance, the NSG will focus on implementing the outstanding objective in terms of TQM. The department revised the approach from a business process to the development of an SOP for business processes, with the realisation that a generic tool will not fully achieve the desired objective as processes differ in implementing respective projects. As a new Strategic Plan has been developed, the department will also be developing a Service Delivery Improvement Plan to guide the provision of quality services and products. In digitally transforming the department, the NSG will also upskill and reskill public servants with future skills development at the forefront.

This involves integrating digital literacy and skills into the curriculum and collaborating with industry partners. Education and training programmes must focus on digital skills, encompassing data analytics, Artificial Intelligence (AI) and emerging technologies, so public servants can effectively leverage technology. Key interventions will include the implementation of ICT solutions, such as enhanced microphones and video cameras, an electronic document management system, automated business processes and the capability for recording audio and video lectures. As the NSG transitions towards offering full qualifications, it must meet the accreditation criteria set by the Council for Higher Education (CHE).

Lastly, to strengthen gender mainstreaming within the department, the NSG will be focused on capacitating employees in Transformation and Diversity management. The NSG will conduct various diversity projects and conduct a disclosure drive to capacitate officials on matters related to disability, promote inclusion in response to organisational transformation and diversity management.

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

The NSG does not report on standardised customised indicators as it is not a concurrent function.

4.2 Programme 2: Public Sector Organisational and Staff Development

The purpose of Programme 2: Public Sector Organisational and Staff Development facilitates transfer payments to the training trading account, which provides education, development and training to public sector employees. This Programme comprises of the following subprogrammes:

- Sub-programme 1: Learning and Professional Development incorporating Cadet and Foundational Management, Middle Management Development, Senior Management and Professionalisation, Executive Management and Leadership Support; Business Development and Specialised Programmes; and Curriculum Design and ETD Practitioner Professionalisation.
- Sub-programme 2: Professional Support Services incorporates Research and Market Intelligence, Quality Assurance and Accreditation Management, eLearning, Technical Support and Outcomes and Impact.

The programme is underpinned to the 5 outcomes, which are:

- Functional Integrated Institution
- Competent Public Servants
- Sustainable Partnerships
- Quality ETD Practitioners
- Responsive ETD Interventions

Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of 18 planned targets for the financial year. All the targets were achieved, and the annual performance translates to 96% achievement. This reflects a significant improvement in the performance of the programme. In this financial year, the programme implemented projects such as the skills audit aimed at accelerating the professionalisation of the civil service and also helped the government determine whether critical skills exist to deliver economic infrastructure and frontline services effectively.

A skills audit was conducted for the Department of Water and Sanitation (DWS) as well as the Department of Public Works and Infrastructure (DPWI). Post conducting the skills audit, it is anticipated that the departments will use the findings to determine future skills and competencies to be addressed with the respective organisations. The noticeable increase in the revenue generated is attributed to the innovation and agility of the NSG in identifying new avenues and opportunities, such as the facilitation of the strategic planning workshops, which was positively welcomed across the various government departments. It also assisted the NSG to understand the challenges and opportunities the NSG can venture into in providing support and informed the development of ETD interventions.

The signed partnership agreements in place have enabled the NSG to increase collaborations and footprint locally and internationally, as the webinars and masterclasses convened have attracted participants from various sectors and discussions on prevalent issues have also encouraged more participation and interest in the work the NSG is undertaking.

The department has also conducted advocacy sessions on the National Framework towards the Professionalisation of the Public Sector which is a key project as the state identified the priority of building an Ethical and Capable Public Sector, key in delivering efficient services. The role of ETD practitioners is important to provide and support the delivery of quality training and the Performance Management System for ETD practitioners was fully implemented in this financial year. Training has also been exemplary with the increased delivery of programmes through online and virtual platforms. This has also enabled a self-paced environment for learner participation and completion of a registered programme.

Table: 2.4.4.2 Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

	PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
No.	**Outcome**	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
2.1	Functional integrated institution	Revenue and other funding sources generated	Amount of revenue generated and other funding sources in TTA	R115.2m in revenue and other funding sources generated by March 2023	R143 206 256 in revenue and other funding sources generated in TTA	R101m in revenue and other funding sources generated in TTA	R101 319 000 in revenue and other funding sources generated in TTA	R319 000	Continued marketing of NSG courses to meet revenue targets
2.2		Business development interventions resulting in uptake of ETD offerings	Percentage of business development interventions resulting in uptake of ETD offerings	50% (23/46) business development interventions resulting in uptake of ETD offerings by March 2023	84% (117/140) business development interventions resulting in uptake of ETD offerings	70% of business development interventions resulting in uptake of ETD offerings	84% (150/178) business development interventions resulting in uptake of ETD offerings	14%	Project management approach in the delivery of funded programmes and targeted or prioritised interventions
2.3		Research projects informing ETD Interventions developed	Number of research projects informing ETD interventions developed	6 research reports informing ETD interventions developed by March 2023	6 research reports informing ETD interventions developed	6 research reports informing ETD interventions developed	7 research reports informing ETD interventions developed	1	Additional requests for other topical matters

	PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
No.	**Outcome**	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
2.4	Competent public servants empowered to do their jobs	Skills assessment reports on specific departments or public sector training needs for relevant ETD interventions	Number of skills assessment reports on specific departments or public sector training needs for relevant ETD interventions completed	9 skills assessment reports on specific departments or public sector training needs for relevant ETD interventions completed by March 2023	6 skills assessment reports on specific departments or public sector training needs for relevant ETD interventions completed	9 skills assessment reports on specific departments or public sector training needs for relevant ETD interventions completed	9 skills assessment reports on specific departments or public sector training needs for relevant ETD interventions completed	None	None
2.5		Courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	Number of courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed by March 2023	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	None	None
2.6		Progress reports on the impact evaluation studies developed	Number of progress reports on the impact evaluation studies developed	6 progress reports on the impact evaluation studies conducted by March 2023	6 impact evaluation studies conducted	6 progress reports on the impact evaluation studies developed	6 progress reports on the impact evaluation studies developed	None	None

	PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
2.7		Status report on the accreditation of the postgraduate qualification	Status report on the accreditation of the postgraduate qualification	Facilitation of accreditation process not achieved by March 2023	Status report on the accreditation of the postgraduate qualification developed	Status report on the accreditation of the postgraduate qualification	Status report on the accreditation of the postgraduate qualification	None	None
2.8		Skills audit for Public Service departments conducted	Number of public service departments with skills audit conducted	None	Skills audit for public service departments not conducted	Skills audit for 2 public service departments conducted	Skills audit for 2 public service departments conducted	None	None
2.9		Nyukela programme for SMS levels 15-16 developed	Nyukela programme for SMS levels 15-16 developed	None	Nyukela for Middle Management Services developed	Nyukela programme for SMS levels 15-16 developed	Nyukela programme for SMS levels 15-16 developed	None	None
2.10		Advocacy sessions conducted on the implementation of the National Framework towards the Professionali-sation	Number of advocacy sessions conducted on the implementation of the National Framework towards the Professionali-sation of the public sector	None	42 Advocacy sessions conducted on the implementation of the National Framework towards the Professionali-sation of the public sector	4 Advocacy sessions conducted on the implementation of the National Framework towards the Professionali-sation of the Public Sector	20 Advocacy sessions conducted on the implementation of the National Framework towards the Professionali-sation of the Public Sector	16	Additional requests received had to be accommodated as the sessions are demand-driven

	PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
No.	**Outcome**	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
2.11	Sustainable partnerships and collaboration to support ETD interventions	Partnership and collaborations facilitated to support ETD interventions	Percentage of partnerships and collaborations facilitated to support ETD interventions	88% (114/129) of partnerships and collaborations facilitated to support ETD interventions by March 2023	84% (122/145) of partnerships and collaborations facilitated to support ETD interventions	70% of partnerships and collaborations facilitated to support ETD interventions	83% (139/183) of partnerships and collaborations facilitated to support ETD interventions	13%	Project management approach in the delivery of funded programmes and targeted or prioritised interventions
2.12	Quality ETD Practitioners	Performance management system for ETD practitioners implemented	Performance management system for ETD practitioners implemented	Performance management system for ETD practitioners piloted by March 2023	Performance management system for ETD practitioners piloted and not fully implemented	Performance management system for ETD practitioners implemented	Performance management system for ETD practitioners implemented	None	None
2.13	Responsive Education, Training and Development Interventions	NSG accreditation status approved by accrediting bodies	Approved NSG accreditation status by accrediting bodies	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider by March 2023	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider	None	None

	PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
No.	**Outcome**	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
2.14		Programmes/ courses quality assured by the NSG Quality Assurance Committee	Number of programmes/ courses quality assured by the NSG Quality Assurance Committee	8 programmes /courses quality assured by the NSG Quality Assurance Committee by March 2023	8 programmes / courses quality assured by the NSG Quality Assurance Committee	8 programmes / courses quality assured by the NSG Quality Assurance Committee	10 programmes / courses quality assured by the NSG Quality Assurance Committee	2	Additional request received for additional courses to be QA in the financial year
2.15		Compulsory courses/ programmes implemented	Number of compulsory courses/ programmes implemented	7 compulsory courses/ programmes implemented	8 compulsory courses/ programmes implemented	8 compulsory courses/ programmes implemented	8 compulsory courses/ programmes implemented	None	None
2.16		Learners trained on compulsory and demand-led ETD interventions	Number of learners trained on compulsory and demand-led ETD interventions	79 049 compulsory and demand-led ETD interventions by March 2023	84 443 learners trained on compulsory and demand-led ETD interventions	50 500 learners trained on compulsory and demand-led ETD interventions	112 855 learners trained on compulsory and demand-led ETD interventions	62 355	Due to the substantial uptake of online courses
2.17		ODEL courses/ programmes/ interventions responsive to skill gaps developed/ reviewed	Number of ODEL courses/ / programmes / interventions responsive to identified skills gaps developed/ reviewed	10 ODEL courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed by March 2023	8 identified courses developed/ reviewed in line with course development plan	8 ODEL courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	10 ODEL courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	2	The courses support the implementation of the National Framework towards the Professionali-sation of the Public Sector

	PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
2.18		Perception survey to determine learner satisfaction on NSG's ETD	Perception survey to determine learner satisfaction on NSG's ETD interventions responsive to government priorities and performance improvement in the public sector undertaken	Annual perception survey to determine the learner satisfaction on NSG's ETD intervention undertaken by March 2023	None	Annual perception survey to determine the learner satisfaction on NSG's ETD intervention undertaken	Annual perception survey to determine the learner satisfaction on NSG's ETD intervention undertaken	None	None

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2024/2025			2024/2025		
	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
Augmentation to the Trading Training Account	107,944	107,944	-	107,802	107,802	-
Total	**107,944**	**107,944**	**-**	**107,802**	**107,802**	**-**

During this financial year, the transfer from the Vote to the TTA (R107.9 m) was further supplemented by the interventions of the NSG to raise revenue in excess of R143m. Programme 2 achieved all the planned 19 performance targets. The expenditure in Programme 2 reflects the achievement of performance. The Facilitation of Strategic Planning Workshop as a new initiative has seen the department improve in revenue generation contributing to a more financially sustainable organisation. As the transition from the 6th to the 07th Administration commenced also the department undertook the Induction for Boards of Entities and Executives of Provincial Legislatures as well as Parliamentary Liaison Officers. The advocacy session on the Framework on the Professionalisation of the Public Sector also contributed positively to performance. Diverse mode of delivery by the NSG (actual achievement against pre-determined objectives) is an indication that the NSG expenditure has contributed to the performance of the institution.

Strategy to overcome areas of under performance

The NSG will continue with increased momentum of communicating and marketing ETD interventions at recognised social media platforms and convene webinars where thought leaders from respective institutions are invited to participate and engage on topical issues and thematic areas affecting the public service, therefore attracting a wider spectrum of public servants.

The focus to increase the provision of more online, self-paced and customised training per the client's needs and requirements will also contribute to a larger group of public servants being trained and this approach as reflected from the current statistics of online training, highlights a large group of public servants are enrolling and responsive to online training.

The skills audits project undertaken in collaboration with the Human Science Research Council (HSRC) for two infrastructure departments (Department of Water and Sanitation and Department of Public Works and Infrastructure) is a positive step in identifying skills gaps within respective departments to be addressed. The gaps will also be beneficial for the NSG in identifying ETD interventions to be developed and implemented to address service delivery challenges.

The generation of revenue for the NSG has also increased as the department identified expansion opportunities through facilitation of strategic planning workshops, as well Leadership and Executive Oversight Programme, in which national and provincial executives of the 07th Administration participated.

Lastly, the implementation of various pillars of the National Framework towards the Professionalisation of the Public Sector is essential. The expansion of the Nyukela Programme to middle management will be a recognisable milestone worth achieving. Engagements between NSG and key stakeholders will be critical in achieving this objective. The outcomes of the impact studies are also important to determine if the delivery of ETD interventions is achieving the desired deliverables. Performance Management System as a new cohort of Independent Trainers has been done, enabling the next phase of Registration Onboarding, Performance Management, and Continuous professional development to be conducted.

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

The NSG does not report on standardised customised indicators as it is not a concurrent function.

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The NSG did not make any transfers to public entities.

5.2 Transfer payments to all organisations other than public entities

The NSG did not make transfer payments to organisations other than public entities.

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

The NSG did not receive conditional grants.

7. DONOR FUNDS

7.1 Donor Funds Received 2024/25

The NSG has not received any donor funds.

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

The NSG did not have capital investment.

PART C: GOVERNANCE

1. INTRODUCTION

Section 195 (1) of the Constitution provides that public administration must be governed by the democratic values and principles as enshrined therein, including among others, that a high standard of professional ethics must be promoted and maintained. Furthermore, section 3 (1) (h) of the Public Service Act, 1994 (as amended) empowers the Minister for the Public Service and Administration to establish norms and standards in respect of integrity, ethics, conduct and anti-corruption in the public service. Regulation 22 of the Public Service Regulations (PSR), 2016 provides for anti-corruption and ethics functions which are mandatory for all government departments.

Section 38 (1) (a) (i) of the PFMA states that "the Accounting Officer of a department must ensure that the department has and maintains an effective, efficient and transparent systems of financial and risk management and internal control. Section 3.2.1 of the Treasury Regulations states that "The Accounting Officer must ensure that risk assessment is conducted regularly so as to identify emerging risks of the institution". The NSG has established the Risk Management Committee (Committee) to assist the Accounting Officer to fulfil the risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. RISK MANAGEMENT

The NSG follows an integrated approach towards risk management and has adopted the Public Sector Risk Management Framework and international standards such as the COSO framework, ISO 31000 and other best practises in developing the approved Enterprise Risk Management Framework. The Enterprise Risk Management Framework is annually revised together with the Risk and Ethics Management Committee Charter, which are among other governance requirements for the Committee.

The Enterprise Risk Management Framework outlines the risk management approach followed by the Department, combining efforts by the NSG management and staff, the Risk and Ethics Management Committee, and Internal Audit and Audit Committee, in identifying strategic, operational and emerging risks that could impede the organisation in achieving its set objectives. Through these efforts, mitigation strategies are developed, implemented and continuously monitored to ensure that risks are minimised to an acceptable level. The overall risk management processes focuses on developmental strategic risks, ICT risks and operational risks. These risks are monitored continuously on a quarterly basis to assess implementation of the identified action plans, and progress on the risk action plan and status is presented to the Risk and Ethics Management Committee (REMC) and the Audit Committee of the NSG. The REMC is chaired by an external member (non-executive), who also serves as a member of the Audit Committee, to ensure transparency and objectivity in the discharge of its responsibilities. The Committee provides assurance to the Accounting Officer and Audit Committee that risks are effectively managed.

The REMC meets on a quarterly basis and the focus is on key risk areas and risk mitigation measures. The composition of the REMC comprises of all the Executive Management Committee and other officials appointed by the Accounting Officer. In addition to the Committee, based on their technical expertise, are standing invitees to REMC meetings. The Audit Committee has independently monitored the effectiveness of the system of Risk Management within the NSG by reviewing analysis reports and minutes of the REMC.

3. FRAUD AND CORRUPTION

The NSG has an approved Fraud and Anti-Corruption Policy that has a zero-tolerance to fraud, corruption and other irregularities. The Fraud and Anti-Corruption Policy and the fraud and ethics implementation plan are the tools used as a response framework for combating fraud and corruption within the Department, promoting employee vigilance in fraud identification and reporting, and providing guidelines on the handling of fraud-related reports and investigations. Fraud and ethics risk assessments are conducted annually and progress on mitigation plans are provided to the REMC on a quarterly basis. The approved whistle-blowing policy protects employees who make disclosures, in terms of the Protected Disclosures Act (No. 26 of 2000) from any occupational detriment thus encouraging employees to report unlawful and irregular conduct within the NSG.

The NSG supports the National Anti-Corruption Hotline (NACH) which is administered by the Public Service Commission (PSC) and employees are encouraged to make confidential disclosure in relation to suspected fraud and corruption to the hotline as an alternative to the internal reporting facilities.

4. MINIMISING CONFLICT OF INTEREST

The NSG adheres to the Conflict of Interest standard as contained in Chapter 2, Part 2 (21) of the Public Service Regulations, 2016. It is required of SMS and other categories to disclose their interests so that heads of departments, the Public Service Commission (PSC) and DPSA will be able to detect and manage conflicts of interest at an early stage. In our efforts to strengthen governance, the NSG has effectively implemented the Financial Disclosure Framework. In terms of the Public Service Regulations (PSR), all members of the Senior Management Services (SMS), Middle Management Services (MMS), certain Occupational Specific Dispensation (OSD) employees, Assistant Directors and employees in Finance and Supply Chain are required to disclose their financial interest through the eDisclosure system. The NSG communicates the dates with designated categories of employees timeously to ensure compliance with the Financial Disclosure Framework.

Furthermore, employees are required by law and the departmental policy to obtain approval from the Accounting Officer prior to conducting other remunerative work outside the department on an annual basis. There is an approved Conflict of Interest Policy in line with this. The policy sets forth applicable provisions and assists NSG employees, businesses conducting business with the NSG and certain other individuals under contractual obligation with the NSG to declare conflicts of interest. The policy further outlines the requirements and procedure for application to undertake other remunerative work, disclose financial interests, and disclose actual and/or perceived conflicts of interest as well as implications of conducting business with an organ of state.

5. CODE OF CONDUCT

The NSG adheres to the Code of Conduct as contained in Chapter 2, Part 1 (13) of the Public Service Regulations, 2016. The NSG includes the discussion and awareness of the Code of Conduct in the programmes for:

1. Internship
2. Induction course for newly appointed employees
3. HR Roadshows

In managing labour relations, the NSG follows the processes as contained within the Public Service Co-Ordinating Bargaining Council (PSCBC) Resolutions for Managing of Grievances (PSCBC Resolution 14 of 2002) and the managing of disciplinary processes (informal and formal) as contained in PSCBC Resolution 1 of 2003. The acts of misconduct within the Resolution and therefore also in the Departmental Standard Operating Procedure are aligned with the Code of Conduct. At this stage, the Directorate: HRM&D also assists in the management of financial disclosures and the vetting and security clearance of employees.

In terms of the ethics aspect of the Code of Conduct, the Ethics Unit is responsible for the implementation of the Code of Conduct, ethics management which include, amongst others, the management of protective disclosures, gift registers and risk management.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

During the 2024/25 financial year the National School of Government reviewed and appointed the Occupational Health and Safety Committee, including Fire Marshals and First Aiders thus ensured compliance with OHS Policy. The departmental Occupational Health and Safety Policy was also reviewed and approved. The OHS Committee convened quarterly and on an ad hoc basis when the need arose. The OHS Committee reports regularly to the Departmental Bargaining Council on OHS-related items. The management of OHS is implemented through a Safety, Health, Environment, Risk and Quality (SHERQ) Management Operational Plan and quarterly reports are submitted to DPSA. Furthermore, risk assessment is conducted regularly and report tabled at OHS Committee for endorsement.

7. PORTFOLIO COMMITTEES

During the financial year under review, the NSG was invited to the Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation. The engagements were convened through the virtual platform and are indicated below:

Date	Subject	Matters raised	Responses
9 July 2024	Presented Annual Performance Plan for 2024/25	The NSG should continue to conduct an impact evaluation of its training programmes to measure the efficacy and application of knowledge with the aim of improving performance.	Since 2013, the NSG has been conducting more in-depth evaluation studies, i.e., the Application of Learning Studies (ALS) / Outcome evaluations and impact evaluations (started in 2020/2021) of the identified training programmes (this is usually done at least 6 months to a year after the training has taken place). The impact evaluations that are conducted by the NSG stretches over a period of two financial years.

Date	Subject	Matters raised	Responses
21 August 2024	Orientation of the Members of the Portfolio Committee	The NSG should create more awareness campaigns on the Nyukela programme for Middle Management services in order to attract young people employed in both public and private sectors to enrol for the training course, especially when aspiring to consider public service as a career of choice.	The NSG is in the process of developing the course content and delivery strategy for the Nyukela programme for Middle Management Services. The NSG team is collaborating with several key departments to ensure that the course is institutionalised as per the Framework Towards Professionalisation of the Public Sector. These departments are amongst others; DPSA, PSC, NT and DPME. Once the Nyukela programme is ready for roll-out, the NSG will create awareness by: a) Leveraging its presence on social media and public radio platforms to reach those not employed. b) Utilising its existing partnerships with youth agents/entities such as NYDA and Chrysalis. c) Hosting advocacy sessions at forums across the three spheres of government. d) Organising open day sessions that allow the youth to visit or get exposure to the NSG's offerings. e) Promoting the programme on the NSG's and its partner departments' websites. The weekly DPSA Vacancy Circular includes information directing all senior management post applicants to enrol for Nyukela Programme which further assists to market the course.
11 September 2024	Progress report on the Implementation of the National Framework Towards Professionalisation of the Public Service	The School should continue, where possible, to offer most of its training courses through e-Learning platforms, as part of modernising its business and saving costs on the logistics such as venues.	Since the COVID-19 pandemic required social distancing, the majority of new ETD interventions developed for rollout by the NSG have an online component. eLearning works in a cross-functional team to make NSG offerings available on its eLearning platform, growing online learning opportunities.

Date	Subject	Matters raised	Responses
16 October 2024	Briefing on the Annual Report 2023/24	The Ministry for Public Service and Administration together with the School should engage with the Ministry of Finance and the Ministry in the Presidency: Planning, Monitoring and Evaluation to render the utilisation of the 1 per cent of the total budget allocated for training and development in each department a recognised key performance area for Senior Management Service in the public sector. This will ensure that i) the Professionalisation Framework is realised, and ii) the NSG funding is guaranteed, since this allocation is mandatory and, therefore, should be properly used or spent on.	The recommendation of the Committee is noted. There have been ongoing discussions with the National Treasury regarding the NSG funding. The NSG engaged with the DPSA to monitor the utilisation of the 1 per cent of the total budget allocated for training and development.
21 February 2025	Alignment between the Medium-Term Development Plan (MTDP) and the National Framework Towards Professionalisation of the Public Sector	The Committee appreciates that the School is seized with the implementation of the Professionalisation Framework. However, the Committee believes that a dedicated Programme 3: Public Sector Professionalisation would ensure a dedicated focus on this government-wide project.	The recommendation of the Committee is noted. This will be discussed with the National Treasury, which is responsible for budget programme structures in government departments. However, it must be noted that the NSG does have a Branch responsible for Professional Support Services, which also oversees the implementation of the Professionalisation Framework.
26 February 2025	Quarter 1 to Quarter 3 Reports on the implementation of the APP 2024/25	The School in collaboration with the Department of Public Service and Administration and Public Service Commission should lobby for the implementation of the National Framework towards Professionalisation of the Public Sector. The Executive Authorities at national level, Members of the Executive Council at provincial level, and Members of Mayoral Committee must be thoroughly workshopped to ensure the advocacy of the Framework.	Following the Cabinet's approval of the Professionalisation Framework, the NSG, DPSA, and PSC collaborated to conduct advocacy and awareness initiatives, recognising that this is a collective effort. With regards to workshop/advocacy programme with the Executive Authorities at national level, Members of the Executive Council at provincial level, and Members of Mayoral Committee on the implementation of the Professionalisation Framework, the NSG engaged with the Secretary of Parliament and discussions were held with the Secretary to Parliament together with the Parliament Training Institute. Subsequent to the discussions, the Secretary of Parliament sent an invitation to the NSG to present the Professionalisation Framework at the conference, which was attended by members of the provincial Legislatures.

Date	Subject	Matters raised	Responses
			The NSG also made presentations to MECs and Mayors (MinMay) Forums at the local government level, engaging various MECs, Mayors, and Municipal Managers in the Western Cape and Northern Cape Provinces. The NSG has collaborated with SALGA to induct newly elected Councillors at the local government level. The National Framework Towards Professionalisation of the Public Sector was presented to several Provincial Legislatures and it is an integral part of the Induction Programme for Members of the Executive in the 7th Administration.

8. SCOPA RESOLUTIONS

The NSG had no appearances to the Standing Committee on Public Accounts (SCOPA) or related notices in the financial year under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The NSG did not have a qualification, disclaimer, adverse opinion and matters of non-compliance.

10. INTERNAL CONTROL UNIT

The Internal Audit is currently outsourced to SAB&T Business Consulting for a period of three years from 1 April 2022, working together with the NSG's Internal Auditor in carrying out the audits. Internal Audit follows a risk-based audit approach which places emphasis on the identification of risks, the prioritising thereof and testing of controls over key risk areas.

The Audit Committee approved the Internal Audit Operational plan for the 2024/25 financial year. In line with the annual Internal Audit Plan for the year, the internal audit focus was on Review of Financial Statements and annual Performance report, Supply Chain Management, Performance Information, Occupational Health and Safety, Wisenet Applications Controls Review, Review of the Annual Performance Plan and Strategic Plan, Operational Review on Technical Support and Follow up Review.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services that are designed to add value and improve the operations of the Department. This function helps the Department to accomplish its objectives and translation thereof to operational activities by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes. Internal Audit has unrestricted access to all functions, records, property and personnel of the Department and the Audit Committee. Adequate resources to the three-year plan review are annually allocated to the Internal Audit function. Internal Audit reports administratively to the Accounting Officer and functionally to the Audit Committee.

The audit approach combines two types of audit engagements, that is, assurance and consulting (advisory) services. Internal Audit is at all times, when conducting their work or any other tasks assigned to them, guided by the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics, as published by the Institute of Internal Auditors, and complies with the relevant sections in the PFMA and related Treasury Regulations.

The Audit Committee is an independent body that reports to the Accounting Officer through its Chairperson. The overall objective of the Audit Committee is to assist in ensuring that there are effective organisational management and control measures that are applied by the Executive Management to discharge their duties relating to:

- Safeguarding of assets
- Adequate operation of procedures and controls
- Financial reporting process
- Performance information management
- System of internal control over financial reporting
- Audit process
- Departmental processes for monitoring compliance with laws and regulations and the code of conduct

The Audit Committee is also responsible for reviewing the Annual Financial Statements and Performance Information reports, as required by the Public Finance Management Act and the related Treasury Regulations. The Audit Committee does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Officer for his/her approval or final decision.

Overall, the Audit Committee executes its responsibilities through close liaison and communication with management, Internal and External Auditors and where it deems it necessary and engages with the Executive Authority.

Audit Committee members and attendance

The Audit Committee continued to provide independent advice to management and to oversee the functioning of the Internal Audit unit. The Audit Committee currently consists of five independent members in line with good corporate governance, as listed below. The Committee meets at least four times per annum as per its approved terms of reference. During the year under review, the Committee held five meetings. The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Term End Date	Number of meetings attended
Prof Daniel (DP) van der Nest	Doctor Technologiae, Master of Commerce: Economics, Bachelor of Commerce (Honours) in Economics, Bachelor of Commerce (Accounting), Post Graduate Diploma in Higher Education	External (Chairperson)	N/A	01 November 2023	N/A	5
Dr Tebogo Sethibe	Doctor of Business Leadership, Master of Business Leadership, Master of Information Technology, Bachelor of Science (Computer Science and Applied Mathematics)	External (Member)	N/A	01 November 2023	N/A	4
Ms Noziphiwo Phumeza Lubanga	Master's in Business Administration, Post Graduate Diploma in General Management, BCom Honours Internal Audit, BCom Internal Audit, National Diploma Internal Audit.	External (Member)	N/A	01 November 2023	N/A	5
Ms Khanyisile Kweyama	Post Graduate Diploma in Management	External (Member)	N/A	01 November 2023	N/A	5
Mr Mojalefa Daniel Claude Rathebe	Bachelor of Law	External (Member)	N/A	01 November 2023	N/A	4

Remuneration of audit committee members

The NSG pays the Audit Committee members according to the South African Institute of Chartered Accountants (SAICA) rates. The members are paid for preparation and research, and for the actual sitting for the meeting per hour.

Audit Committee Chairperson	Audit Committee Members	Risk Committee Chairperson
R3 027	R1 983	R1 983
Total Expenditure for the year		**R282 767,25**

- All our external audit committee members are not working for an organ of state.

12. AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Audit Committee remains committed to continuous improvement and will focus on enhancing revenue management and system integration in the upcoming financial year.

The Effectiveness of Internal Control

The system of internal control is designed to provide reasonable cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. Internal Audit provides the Audit Committee and management with assurance that the controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective action and suggested enhancements to the controls and processes

Where control weaknesses and other matters were reported, the Audit Committee has considered management's responses to address the matters and to facilitate corrective actions, improvements and monitoring the controls and procedures. Implementation of such corrective actions is monitored and reported on quarterly.

The following internal audit work was completed during the year under review:

- Annual Financial Statements and Annual Performance report.
- Supply Chain Management.
- Occupational Health and Safety Review.
- Performance Information.
- Applications Controls Review on Wisenet (MyNSG) learner System
- Operational Review on Technical Support
- Annual Performance Plan and Strategic Plan Document Review
- Follow-up Reviews.

The audit committee has noted certain control deficiencies raised by Internal Audit in the MYNSG learner system and the Occupational Health and Safety reports, and these will be monitored through a structured reporting process to the audit committee on a quarterly basis.

In-Year Management and Monthly/Quarterly Report

The department has complied with monthly and quarterly reporting requirements to National Treasury and DPME as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements (AFS) prepared by the National School of Government (NSG) and has also requested an internal audit review of the financial statements, to provide additional assurance. There were material findings on Programme 2 (Training Trading Account) related to non-compliance (debtors management) and internal control deficiency (revenue management), which has resulted in a qualified audit opinion on the Trade. The Vote Account (programme 1) has, yet again, achieved an unqualified audit opinion.

In our engagement with management, we recognise that the NSG replaced its outdated training management system with a new learner management system (MyNSG), which was implemented in July 2024. The system is aimed at paperless management of training records from quotation to issuing of the certificate of completion, which results in a more accurate revenue reconciliation with learner records. As the system was implemented during the second quarter of the financial year, it meant that the first quarter records had to be migrated from the old system to the new system. As this

is the first year of the implementation of the new system, the NSG experienced some challenges with the accuracy of the training numbers and the revenue generated, this had an effect on some of the revenue figures in the financial statements of the trading entity, leading to a qualified audit opinion.

We wish to, nevertheless, acknowledge the 96% overall performance achievement and revenue to the amount of R101 319 000 generated. The close-out of this financial year is the final year of the five-year strategic plan, during which time the NSG has experienced significant growth in its positioning and performance. We are proud that the NSG has been able to deliver its ETD intervention to more than 406 116 learners and generated revenue of over R485 million.

Other Achievements

The Audit Committee appreciated:

- The implementation of the five-year strategy, which remained aligned to government's priority of building state capacity. With this being the final fifth year of implementing the strategy, the NSG has demonstrated consistency in performance and strategy implementation despite the challenges of the COVID-19 pandemic.
- The Audit Committee appreciates the gradual, but substantive shift in the approach of the NSG beyond capacity building towards capability development.
- The introduction of the induction programme for boards of public entities aiming to change the narrative of the governance in the public entities has resulted in great achievements.
- The education, training and development innovations that have been introduced, such as the masterclasses and webinars, which continued to draw participations from public servants and interested individuals, including academics and students.
- The growth of the partners, domestically and internationally, to support education, training and development interventions. This has now firmly positioned the NSG on the continental and global map as an institution worthy of being associated with.

Auditor-General's Report

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General. The audit committee wishes to thank the Auditor-General for the contribution as an assurance provider in the NSG. We are pleased to present our report for the financial year ended 31 March 2025.

We have monitored the department's implementation plan for Auditor-General findings and will continue to monitor progress against the current qualification items on the trading entity. The committee congratulates the Accounting Officer and management on the unqualified audit opinion on the vote.

Prof Daniel van der Nest

Chairperson of the Audit Committee

National School of Government

31 August 2025

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 and Industry.

Has the Department applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	-
Developing and implementing a preferential procurement policy?	Yes	In complying with the prescripts of PPPFA, the NSG's Supply Chain Management Policy has incorporated the Regulations 2022 requirements. Procurement of goods and services is carried out in terms of the preference points system.
Determining qualification criteria for the sale of state-owned enterprises?	No	-
Developing criteria for entering into partnerships with the private sector?	No	-
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	-

PART D:
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The NSG staff establishment comprises of 238 funded posts aligned with the approved structure, of which 212 are filled posts and 26 vacant as of 31 March 2025, translating to 89% of posts filled. The vacancy rate is at 10.92% percent reflecting a plausible performance by the department to fill vacant posts. The vacancy rate frequently fluctuates as a result of resignations and retirements. However, despite these fluctuations, the department has done well in sustaining the vacancy rate in accordance with the set national rate. The disaggregation in terms of employment equity reflects female SMS at 50%, people living with disabilities at 2,83% and youth at 26%. A total of 9 employees were appointed additional to the structure, with two (2) appointed at salary level 13 (SMS) and seven (7) appointed as administrators.

The NSG also trained 142 officials in line with the Workplace Skills Plan (WSP) representing 67% of the staff. The focus on training the officials was on critical skills required to deliver on the mandate of the school. The NSG also awarded 35 bursaries to employees to further their studies for the 2024/2025 academic year.

The NSG reached a target of 100% of SMS who submitted performance agreements and were captured on the Persal System for the 2023/2024 financial year. In terms of employee relations, during the period under review, HRM&D managed to resolve ten (10) grievances out of twelve (12) lodged. Two misconduct cases were finalised within the prescribed 90 days. Two disputes were completed during the reporting period.

The NSG also implemented Employee Health and Wellness (EHW) Programmes and monitored the environment and take care of employee's wellbeing by ensuring compliance to environmental wellness and safety standards. The NSG performed excellently in implementing programmes aimed at enhancing active uptake of EHW Interventions. A total of 167 employees which translates to 79%, were able to attend Health and Wellness programmes during 2024/2025 financial year and the target was exceeded.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025

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)
Vote Programme 1	108 079	63 981	888	1 138	30%	762
Vote Programme 2	107 944	-	-	-	-	-
NSG TTA	266 930	112 847	1 563	33 731	42%	812
Total	**485 649**	**176 828**	**2 451**	**34 869**	**36%**	**793**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	6 228	4%	23	271
Highly skilled production (levels 6-8)	38 939	22%	74	481
Highly skilled supervision (levels 9-12)	63 259	36%	73	843
Senior and Top management (levels 13-16)	68 402	39%	42	1 555
Total	**176 828**	**100%**	**212**	**793**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

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
Vote Programme 1	43 488	25%	770	0%	1 103	1%	2 658	2%
Vote Programme 2	-	-	-	-	-	-	-	-
NSG TTA	78 282	44%	10	0%	1 910	1%	3 847	2%
Total	**121 770**	**69%**	**780**	**0%**	**3 013**	**2%**	**6 505**	**4%**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

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 (levels 1-2)	-	0%	-	0%	-	0%	-	0%
Skilled (levels 3-5)	4 044	2%	124	0%	267	0%	599	0%
Highly skilled production (levels 6-8)	27 358	15%	375	0%	1 539	1%	3 355	2%
Highly skilled supervision (levels 9-12)	45 879	26%	281	0%	736	0%	1 819	1%
Senior management (levels 13-16)	44 489	25%	-	0%	471	0%	732	0%-
Total	**121 770**	**69%**	**780**	**0%**	**3 013**	**2%**	**6 505**	**4%**

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Vote	86	80	6.97%	2
Trade	152	132	13.15%	7
Total	**238**	**212**	**10.92%**	**9**

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	27	23	14.81%	1
Highly skilled production (levels 6-8)	82	74	9.76%	3
Highly skilled supervision (levels 9-12)	82	73	10.92%	-
Senior management (levels 13-16)	47	42	10.64	2
Total	**238**	**212**	**10.92**	**6**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Business and Data Intelligence	2	1	50%	1
Total	**2**	**1**	**5%**	**1**

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

(a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

(b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

(c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

(d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	3	3	100%	0	0
Salary Level 14	13	12	92.3%	1	7.6%
Salary Level 13	30	26	86.66	4	13.33%
Total	**47**	**42**	**89.37%**	**5**	**10.63%**

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	3	3	100%	0	0
Salary Level 14	13	13	100%	0	0
Salary Level 13	30	25	83.33%	5	16.66%
Total	**47**	**42**	**89.36%**	**5**	**10.63**

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised 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
Director-General/ Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	3	0	5
Total	**3**	**0**	**5**

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 2024 and 31 March 2025

Reasons for vacancies not filled within twelve months
Delays in granting concurrence to advertise and fill the vacant posts

Reasons for vacancies not filled within twelve months
Delays in granting concurrence to advertise and fill the vacant posts

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
Delays in granting concurrence to advertise and fill the vacant posts

Reasons for vacancies not filled within six months
Delays in granting concurrence to advertise and fill the vacant posts

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	-	-	-	-	-	-	-
Skilled (levels 3-5)	27	9	33%	-	-	-	-
Highly skilled production (levels 6-8)	82	10	12%	1	1%	-	-
Highly skilled supervision (levels 9-12)	82	7	9%	1	1%	-	-
Senior Management Service Band A	30	25	83%	-	-	-	-
Senior Management Service Band B	13	12	92%	-	-	-	-
Senior Management Service Band C	3	1	33%	-	-	-	-
Senior Management Service Band D		-	-	-	-	-	-
Total	**238**	**64**	**27%**	**-**	**-**	**-**	**-**

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

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

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Employees with a disability					-

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

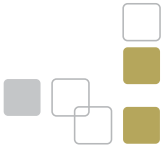


Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 and 31 March 2025

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Top Management L15-16	1	15	16	-
Senior Management L13-14	-	-	-	-
Professionally Middle Management L11-12	8	11	12	Grade Progression/ Personal Notches
Junior Management L9-10	3	9	10	Grade Progression
Skilled technical L6-8	4	7	8	Grade Progression
Semi-skilled L4-5	1	4	5	Grade Progression
Total number of employees whose salaries exceeded the level determined by job evaluation				**17**
Percentage of total employed				**8.01%**

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

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

Gender	African	Asian	Coloured	White	Total
Female	11	-	3	3	17
Male	3	-	2	0	5
Total	**14**	**-**	**5**	**3**	**22**
Employees with a disability	2	-	-	-	2

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	44

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of employees at beginning of period-1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower-skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	19	5	-	0
Highly skilled production (levels 6-8)	77	-	4	5,19%
Highly skilled supervision (levels 9-12)	73	4	4	5.40%
Senior Management Service Band A	45	1	3	6.66%
Senior Management Service Band B	-	-	-	-
Senior Management Service Band C	-	-	-	-
Senior Management Service Band D	-	-	-	-
Contracts	9	-	-	-
Total	**223**	**10**	**11**	**4,93%**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Professionally qualified and experienced specialist and mid management L-9-12	2	0	1	50%
TOTAL	**2**	**0**	**1**	**50%**

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

(a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;

(b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

(c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

(d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	7	58.33%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	1	8.33%
Retirement	4	33.33%
Transfer to other Public Service Departments	-	-
Other	-	-
Total	**12**	**100%**
Total number of employees who left as a % of total employment	**12**	**100%**

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees 1 April 2024	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
Professional (levels 6-8)	19	-	-	9	47.36%
Professional (levels 6-8)	77	3	3,89%	37	48.05%
Middle management (levels 9-12)	73	-	-	22	30.13%
Senior management (levels 13-16)	45	-	-	15	-33.33%
TOTAL	**214**	**3**	**1.40%**	**83**	**38.78%**

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

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 (levels 1-2)	-	-	-	-	-
Skilled (levels 3-5)	19	-	-	9	47.36%
Highly skilled production (levels 6-8)	77	3	1.28%	37	48.05%
Highly skilled supervision (levels 9-12)	73	-	-	22	30.13%
Senior management (levels 13-16)	45-	-	-	15	-33.33%
Total	**214**	**3**	**1.42**	**83**	**38.78%**

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 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	-	2	1	14	3	-	4	42
Professionals	27	2	2	1	38	2	-	4	76
Technicians and associate professionals	24	1	-	-	43	1	1	1`	71
Clerks	9	-	-	-	12	2	-	-	23
Service and sales workers	-	-	-	-		-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	**78**	**3**	**4**	**2**	**107**	**8**	**1**	**9**	**212**
Employees with disabilities	2	-	1	-	3	-	-	-	6

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (L15-16)	2	0	0	0	2	0	0	-	4
Senior Management (L13-14)	16	-	2	1	12	3	-	4	38
Professionally qualified and experienced specialists and mid-management	27	2	2	1	38	2	-	4	76
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	1	2	-	43	1	1	1	73
Semi-skilled and discretionary decision making (L4-5)	9	-	-	-	12	2	-	-	23
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	**78**	**3**	**4**	**2**	**107**	**8**	**1**	**9**	**212**

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management	1	-	-	-	3	-	-	-	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	3	-	-	-	-
Semi-skilled and discretionary decision making	2	-	-	-	3	-	-	-	2
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	**3**	**-**	**-**	**-**	**12**	**-**	**-**	**-**	**15**
Employees with disabilities	-	-	-	-	-	-	-	-	-

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

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

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	1	-	-	2	-	3
Professionally qualified and experienced specialists and mid-management	2	-	1	1	1	-	-	-	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	-	-	2	-	-	1	4
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	**3**	-	**1**	**1**	**3**	-	**2**	**1**	**12**
Employees with Disabilities	-	-	1	-	-	-	-	-	1

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Counselling	-	-	-	-	1	-	-	-	1
Final Written Warning	1	-	-	-	1			-	2
Suspension without pay	**1**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**2**

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	0	2	2	10	4	1	2	31
Professionals	16	1	2	0	23	3	0	4	49
Technicians and associate professionals	16	1	0	0	30	0	0	1	48
Clerks	7	0	0	0	6	0	0	0	13
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	1	0	0	0	0	0	0	0	1
Total	**50**	**2**	**4**	**2**	**69**	**7**	**1**	**7**	**142**
Employees with disabilities	1	0	1	0	1	0	0	1	4

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

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	1
Salary Level 16	1	1	1	1
Salary Level 15	2	2	2	2
Salary Level 14	13	13	13	13
Salary Level 13	28	27	27	27
Total	**45**	**44**	**44**	**44**

Notes

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2024.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025

Reasons
One (1) SMS member on salary level 13 resigned from the National School of Government on 30 June 2024.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2025

Reasons
All SMS members concluded their performance agreements during the reporting period.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 Performance Rewards

To encourage good performance, the NSG 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.

Table 3.8.1 Performance Rewards by race, gender, and disability for the period 1 April 2023 to 31 March 2025

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	No Bonus (NB)	0	0	0	0
Male	N/B	0	0	0	0
Female	N/B	0	0	0	0
Asian	N/B	0	0	0	0
Male	N/B	0	0	0	0
Female	N/B	0	0	0	0
Coloured	N/B	0	0	0	0
Male	N/B	0	0	0	0
Female	N/B	0	0	0	0
White	N/B	0	0	0	0
Male	N/B	0	0	0	0
Female	N/B	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2024 to 31 March 2025

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (levels 1-2)	No Bonus (N/B)	0	0	0	0	0
Skilled (levels 3-5)	N/B	0	0	0	0	0
Highly skilled production (levels 6-8)	N/B	0	0	0	0	0
Highly skilled supervision (levels 9-12)	N/B	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
No Bonus (NB)	0	0	0	0	0
N/B	0	0	0	0	0
N/B	0	0	0	0	0
N/B	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

As outlined at Table 3.2.3 above, the NSG in this financial year do not have critical occupations as stipulated in the CORE and do not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

(a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

(b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction.

(c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

(d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	No Bonus (N/B)	0	0	0	0	0
Band B	N/B	0	0	0	0	0
Band C	N/B	0	0	0	0	0
Band D	N/B	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

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 2024 and 31 March 2025

Salary band	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (levels 6-8)	1	0.47%	1	0,47	-	-
Highly skilled supervision (levels 9-12)	1	0.47%	1	0,47	-	-
Contract (levels 9-12)	-	-	-	-	-	-
Contract (levels 13-16)	-	-	-	-	-	-
Total	**2**	**0.94%**	**2**	**0.94%**	**-**	**-**

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

Major occupation	01 April 2025		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
-	-	-	-	-	-	-

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

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

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skills (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	122	1.5	16	0.69	7.62	144 863.89
Highly skilled production (levels 6-8)	669	1,24	74	100	9.04	1 119 245.50
Highly skilled supervision (levels 9 -12)	566	1,5	127	1,73	4.45	1 852 945.3
Top and Senior management (levels 13-16)	234	1,3	40	0.95	5.85	1 316 320.3
Total	**1285**	**1,09**	**199**	**93.86**	**6.45**	**4 433 375.2**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 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 (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	-	-	-	-	-	-
Highly skilled production (levels 6-8)	3	3	1	1	33.3	2163
Highly skilled supervision (levels 9-12)	161	161	4	4	2.48	632954
Senior management (levels 13-16)	-	-	-	-	-	-
Total	**164**	**164**	**5**	**5**	**3.0**	**635118**

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

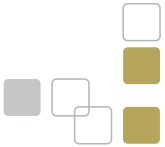


Table 3.10.3 Annual Leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	-	-	-
Skilled (levels 3-5)	367	18	20.38
Highly skilled production (levels 6-8)	2139	88	24.30
Highly skilled supervision (levels 9-12)	2070	72	28.75
Senior management (levels 13-16)	1345	49	27.44
Total	**5921**	**229**	**25.85**

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

Salary band	Total days of capped leave -taken	-	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-
Senior management (levels 13-16)	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

Table 3.10.5 Leave pay-outs for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2023/24 due to non-utilisation of leave for the previous cycle	R0.00	-	-
Capped leave payouts on termination of service for 2024/25	R386 213.00 = + 70 541.30 = 456 754.30	2	R228 377.15
Current leave payout on termination of service for 2024/25	R84 750.70	8	R10 593.83
Total	**R541 505.00**	**8**	**R67 688**

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
-	-

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.	X		Ms Letty Raseroka the Director: HRM&D is responsible for Employee Health and Wellness Programmes including HIV/AIDS Programmes
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.	X		Two staff members and The budget allocated for programme activities is R1,204,987,32 for a period of three years.
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.	X		• Unlimited 24/7/365 support for employees and their immediate dependents. • 6 x face to face sessions per person per incident per year. Face to face counselling for employees and immediate dependents only. • e-Care programme to enhance access to services • Monthly education and awareness sessions • Referral to appropriate professional and health services institutions • Financial and Legal advice • Retirement and planning support • Return-work and remote working support • Trauma and bereavement counselling • Managerial support

Question	Yes	No	Details, if yes
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.			• Restructuring, change management and career counselling • A marketing and communications strategy to promote effective utilisation of the services • Health screening and ergonomic assessment of the NSG work environment for proactive- management of physical well being • Monitoring and evaluation
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.		X	Wellness matters are discussed as part of the OHS Committee.
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.		X	The approved policy for the management of HIV/AIDS, TB & STIs Operational Plan incorporates elements of non-discrimination in the workplace
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.		X	• The policy clearly outlines non-discriminatory practices and disciplinary action against perpetrators • HIV testing is conducted in private and by qualified professionals • Advocacy and awareness programmes on key calendar days that focus on HIV issues are implemented
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.		X	Bi-annual Health Screening, which includes HIV Counselling and Testing (HCT), was implemented, and 20% of staff were tested during the reporting period.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	• Quarterly and annual reports are received from the outsourced service provider for Employee Wellness services. • Quarterly and Annual HIV/AIDS Operational Plan Reports are submitted internally and to the DPSA • Quarterly Integrated EHWP reports are submitted to the DPSA

3.12 Labour Relations

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

Subject matter	Date
GPSSBC Resolution 3 of 2024 – Appointment of full-time shop stewards and release of trade union office bearers	24 May 2024
GPSSBC Resolution 4 of 2024 – Agreement on the amendment of Resolution 3 of 2017 – Dispute Resolution Rules	18 October 2024
PSCBC Resolution 1 of 2025 – Agreement on the payment of salary adjustment and improvement of conditions of services in the Public Service for the financial year 2025/26, 2026/27 and 2027/28	17 February 2025

Notes

If there were no agreements, keep the heading and replace the table with the following:

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 2024 and 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	20%
Verbal warning	-	-
Written warning	-	-
Final written warning	2	40%
Suspended without pay	2	40%
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	**5**	**100**

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None

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

Type of misconduct	Number	% of total
Gross Insubordination & Gross absenteeism from work without permission	1	25%
Unauthorised absence from work without permission & failure to follow a reasonable instruction	1	25%
Gross Dishonesty & fraud	1	25%
Gross Dishonesty and Contravention of the Determination & Directive on Leave of absence for the Public Service	1	25%
Total	**4**	**100%**

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

Grievances	Number	% of Total
Number of grievances resolved	10	100
Number of grievances not resolved	2	20%
Total number of grievances lodged	**10**	**100%**

Two grievances carried over from the 2023\2024 financial year were resolved during the 2024\25 financial year.

Table 3.12.5 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	1	25%
Total number of disputes lodged	**4**	**100%**

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

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 2024 and 31 March 2025

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

3.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2024	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	23	-	13	1	14
	Male	22	-	10	1	11
Professionals	Female	40	-	10	2	12
	Male	34	-	10	2	12
Technicians and associate professionals	Female	49	-	27	8	35
	Male	27	-	20	4	24
Clerks	Female	12	-	5	0	5
	Male	9	-	5	0	5
Service and sales workers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Skilled agriculture and fishery workers	Female	-	-	0	-	0
	Male	-	-	0	-	0

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Plant and machine operators and assemblers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Elementary occupations	Female	0	1	0	-	1
	Male	0	1	0	-	1
Sub Total	Female	124	1	55	11	67
	Male	92	1	45	7	53
Total		**216**	**2**	**100**	**18**	**120**

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

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	23	-	17	2	19
	Male	22	-	14	2	16
Professionals	Female	40	-	30	5	35
	Male	34	-	19	4	23
Technicians and associate professionals	Female	49	-	31	15	46
	Male	27	-	17	6	23
Clerks	Female	12	-	6	0	6
	Male	9	-	7	1	8
Service and sales workers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Skilled agriculture and fishery workers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Craft and related trades workers	Female	-	-	0	-	0
	Male	-	-	0	-	0

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Plant and machine operators and assemblers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Elementary occupations	Female	1	1	0	-	1
	Male	1	1	1	-	1
Sub Total	Female	1	1	90	22	107
	Male	1	1	52	13	71
Total		**2**	**2**	**142**	**35**	**178**

3.14 Injury on duty

The following tables provides basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	-
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	**-**	**-**

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

(a) The rendering of expert advice.

(b) The drafting of proposals for the execution of specific tasks; and

(c) The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Audit Committee Members	5	Ad hoc	330,158.81
Internal Audit Services – SAB&T	1	12 months	722,094.38
Training of National and Provincial departments and Local government (IIC)	119	Ad hoc	12,053,869.99
Development Costs (IIC)	5	Ad hoc	361,180.69
IT Outsourced Services (EOH) Management Fee	1	12 Months	7,739,180.69

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
6	132	Ad Hoc	21,248,162.37

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
-	-	-	-

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

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

3.16 Severance Packages

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

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 (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-
Senior management (levels 13-16)	-	-	-	-
Total	**-**	**-**	**-**	**-**

PART E:
PFMA COMPLIANCE REPORT

(VOTE ACCOUNT)

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

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	54
Adjustment to opening balance		0
Opening balance as restated		0
Add: Irregular expenditure confirmed	583	0
Less: Irregular expenditure condoned		54
Less: Irregular expenditure not condoned and removed		0
Less: Irregular expenditure recoverable[1]		0
Less: Irregular expenditure not recoverable and written off		0
Closing balance	**583**	**0**

Include discussion here where deemed relevant.

1 Transfer to receivables

Reconciling notes

Description	2024/2025	2023/2024[2]
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	583	0
Total	**583**	**0**

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description[3]	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	103	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	480	0
Total	**583**	**0**

N/A

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	0	54
Total	**0**	**54**

N/A

2 Record amounts in the year in which it was incurred
3 Group similar items

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	**0**	**0**

N/A

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	**0**	**0**

N/A

f) Details of irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

N/A

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
N/A
Total

N/A

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)[4]

Description	2024/2025[5]	2023/2024
	R'000	R'000
N/A		
Total		

N/A

4 Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

5 Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Description
N/A

N/A

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	5	5
Adjustment to opening balance		0
Opening balance as restated		0
Add: Fruitless and wasteful expenditure confirmed	19	0
Less: Fruitless and wasteful expenditure recoverable[6]		0
Less: Fruitless and wasteful expenditure not recoverable and written off	19	0
Closing balance	**5**	**5**

The R19K fruitless expenditure related to unforeseen circumstances where an official's child fell ill prior to the officials undertaking a trip to Northern Cape.

6 Transfer to receivables

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	5
Fruitless and wasteful expenditure for the current year	19	0
Total	**19**	**5**

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description[7]	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	**0**	**0**

N/A

7 Group similar items

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	5
Total	**0**	**5**

The officials implicated have made a commitment with Finance for recovery over an agreed period.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	19	0
Total	**19**	**0**

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Total

N/A

1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable[8]	0	0
Less: unauthorised not recoverable and written off[9]	0	0
Closing balance	**0**	**0**

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025	2023/2024[10]
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
Total	**0**	**0**

8 Transfer to receivables
9 This amount may only be written off against available savings
10 Record amounts in the year in which it occurred

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description[11]	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	**0**	**0**

N/A

1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))[12]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	0	0
Other material losses	6	0
Less: Recoverable	6	0
Less: Not recoverable and written off	0	0
Total	**0**	**0**

Damages due to employee negligence.

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
Laptops	55	194
Projector	7	7
Total	**62**	**201**

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
Laptops	51	0
Projector	7	0
Total	**58**	**0**

Recoverable amount according to the NSG Asset Management Policy

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
Laptops	132	0
Total	**132**	**0**

Employees as victims of crime – lost tools of trade issued to them.

11 Group similar items

12 Information related to material losses must be disclosed in the annual financial statements.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1337	96,048
Invoices paid within 30 days or agreed period	1337	96,048
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

N/A

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Training staff members on Wisenet	ADAPT IT	Natural Continuation of Services	DUN/Q/72(2)/2024/2025	34
Health Care Service	Workforce Health Care Service	Single Source Supplier	DUN/Q/73/2024/2025	62
Training	UNISA	Single Source Supplier	DUN/Q/74/2024/2025	36
Training	WITS	Single Source Supplier	DUN/Q/75/2024/2025	21
Membership Subscription	IPM	Single Source Supplier	DUN/Q/76/2024/2025	22
Software	Troye Interactive Solutions	Single Source Supplier	DUN/Q/77/2024/2025	287
Membership Subscription	IPM	Single Source Supplier	DUN/Q/78/2024/2025	25
Membership Subscription	Intelligent Transfer Centre	Single Source Supplier	DUN/Q/79/2024/2025	41
Membership Subscription	IASIA	Single Source Supplier	DUN/Q/80/2024/2025	15
Training	Common Purpose	Single Source Supplier	DUN/Q/81/2024/2025	45
Training Facilitators	Facilitators	Less than three (3) quotations	DUN/Q/82/2024/2025	592
Conference	UJ Suncity	Less than three (3) quotations	DUN/Q/84/2024/2025	5
Software Licence Fee	Rank O Pro	Single Source Supplier	DUN/Q/86/2024/2025	15

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Annual Conference	LIASA	Single Source Supplier	DUN/Q/87/2024/2025	12
Annual Conference	IPADA	Single Source Supplier	DUN/Q/88/2024/2025	27
Annual Conference	SAAPAM	Single Source Supplier	DUN/Q/89/2024/2025	42
Training	MD INK (PTY) LTD	Single Source Supplier	DUN/Q/91/2024/2025	9
KMSA Imbizo	Knowledge Management SA	Single Source Supplier	DUN/Q/92/2024/2025	12
Training	Engineering Tenets (PTY)LTD	Single Source Supplier	DUN/Q/93/2024/2025	93
Training	LN Global Solutions	Single Source Supplier	DUN/Q/94/2024/2025	30
Training	Federated Management Institute	Single Source Supplier	DUN/Q/95/2024/2025	74
Annual Conference	SAAPAM	Single Source Supplier	DUN/Q/96/2024/2025	16
Training	Qinisa Events Management	Single Source Supplier	DUN/Q/97/2024/2025	4
Licence Renewal	Neo Technologies	Less than three (3) quotations	DUN/Q/98/2024/2025	565
Conference	EAPA SA	Single Source Supplier	DUN/Q/99/2024/2025	12
Conference	IPM	Single Source Supplier	DUN/Q/100/2024/2025	69
Membership Subscription	Higher Education QA	Single Source Supplier	DUN/Q/101/2024/2025	15
Venue	Mila Wethu Events	Less than three (3) quotations	DUN/Q/102/2024/2025	144
Conference	IPCE Law School	Single Source Supplier	DUN/Q/103/2024/2025	22
Placing of NSG advert on Municipal Focus Magazine	Kweda Media	Single Source Supplier	DUN/Q/105/2024/2025	131
Training	CCM Events and Training	Single Source Supplier	DUN/Q/106/2024/2025	22
Cash Transport	Fidelity Cash Solutions	Single Source Supplier	DUB/Q/107/2024/2025	149
Conference	IPM	Single Source Supplier	DUN/Q/108/2024/2025	51
Conference	CIGFARO	Single Source Supplier	DUN/Q/109/2024/2025	16
Conference	SAMEA	Single Source Supplier	DUN/Q/110/2024/2025	88
Everlytic Comprehensive Software Tool for the NSG	Rocket Mailer	Single Source Supplier	DUN/Q/111/2024/2025	167
Licence fee	Torque Technical Computer	Less than three (3) quotations	DUN/Q/112/2024/2025	10
Equipment	New Innovations Distributors	Less than three (3) quotations	DUN/Q/113/2024/2025	28
Training	Symphonia Leadership	Single Source Supplier	DUN/Q/115/2024/2025	5
Training	Disaster Management Institute of SA	Single Source Supplier	DUN/Q/116/2024/2025	6

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Training	Bussynet Advanced Trading	Single Source Supplier	DUN/Q/117/2024/2025	69
Licence renewal	SAGE	Single Source Supplier	DUN/Q/120/2024/2025	28
Conference	CIGFARO	Single Source Supplier	DUN/Q/123/2024/2025	19
Conference	SADA	Single Source Supplier	DUN/Q/124/2024/2025	10
Training	University of Stellenbosch	Single Source Supplier	DUN/Q/126/2024/2025	138
Software licence renewal	SAGE	Single Source Supplier	DUN/Q/128/2024/2025	53
Renewal of private bag	South African Post Office	Single Source Supplier	DUN/Q/129/2024/2025	3
Annual licencing	SABINET	Single Source Supplier	DUN/Q/131/2024/2025	3
Annual licencing	Early Worx	Single Source Supplier	DUN/Q/132/2024/2025	398
Renew of software for trade	ADAPT IT	Single Source Supplier	DUN/Q/133/2024/2025	6
Internal Audit Services	SAB@T	Single Source Supplier	DUN/Q/136/2024/2025	106
Total				**3 852**

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Cleaning Services	Masana Cleaning Services	Extension	DUN/Q/119/2024/2025	-	531	0.00
Total				**-**	**531**	**-**

PART E: PFMA COMPLIANCE REPORT

(TRADE ACCOUNT)

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

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	82	132
Adjustment to opening balance		0
Opening balance as restated		0
Add: Irregular expenditure confirmed	176	82
Less: Irregular expenditure condoned	82	0
Less: Irregular expenditure not condoned and removed		132
Less: Irregular expenditure recoverable[13]		0
Less: Irregular expenditure not recoverable and written off		0
Closing balance	**176**	**82**

The irregular expenditure incurred during the year under review was due to employees' non-compliance with set prescripts.

13 Transfer to receivables

Reconciling notes

Description	2024/2025	2023/2024[14]
	R'000	R'000
Irregular expenditure that was under assessment		82
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	176	0
Total	**176**	**82**

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description[15]	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	176	0
Total	**176**	**0**

N/A

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	0	82
Total	**0**	**82**

N/A

14 Record amounts in the year in which it was incurred

15 Group similar items

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	**0**	**0**

N/A

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	**0**	**0**

N/A

f) Details of irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

N/A

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
N/A
Total

N/A

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)[16]

Description	2024/2025[17]	2023/2024
	R'000	R'000
N/A		
Total		

N/A

16 Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

17 Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

i) **Details of disciplinary or criminal steps taken as a result of irregular expenditure**

Disciplinary steps taken
N/A

N/A

1.2 Fruitless and wasteful expenditure

a) **Reconciliation of fruitless and wasteful expenditure**

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	103	15
Adjustment to opening balance	15	0
Opening balance as restated		0
Add: Fruitless and wasteful expenditure confirmed	17	88
Less: Fruitless and wasteful expenditure recoverable[18]	11	0
Less: Fruitless and wasteful expenditure not recoverable and written off	107	0
Closing balance	**17**	**103**

N/A

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	15
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	88
Fruitless and wasteful expenditure for the current year	17	0
Total	**17**	**103**

b) **Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)**

Description[19]	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	17	0
Total	**17**	**0**

N/A

18 Transfer to receivables

19 Group similar items

c) Details of fruitless and wasteful expenditure recoverable

Group similar items	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	11	0
Total	**11**	**0**

N/A

d) Details of fruitless and wasteful expenditure not recoverable and written off

Group similar items	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	107	0
Total	**107**	**0**

e) N/A Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
N/A
Total

N/A

1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Group similar items	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable[20]	0	0
Less: unauthorised not recoverable and written off[21]	0	0
Closing balance	**0**	**0**

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025	2023/2024[22]
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
Total	**0**	**0**

20 Transfer to receivables
21 This amount may only be written off against available savings
22 Record amounts in the year in which it occurred

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description[23]	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	**0**	**0**

N/A

1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))[24]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	**0**	**0**
Total		

N/A

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	**0**	**0**

N/A

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	**0**	**0**

N/A

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	**0**	**0**

N/A

23 Group similar items

24 Information related to material losses must be disclosed in the annual financial statements.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1799	60,693
Invoices paid within 30 days or agreed period	1798	60,641
Invoices paid after 30 days or agreed period	1	52
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

The late payment emanated from an oversight from an employee in creditors. She was supposed to pay before they went on leave.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Licence Renewal	PERLEGO	Single Source Supplier	DUN/Q/71(1)/2024/2025	9
Training Venue	Kings Palace	Single Source Supplier	DUN/Q/83/2024/2025	171
Shuttle	Harmony Shuttles	Less than three (3) quotations	DUN/Q/85/2024/2025	8
Membership Subscription	SABPP	Single Source Supplier	DUN/Q/90/2024/2025	12
Shuttle	Tekeshe Projects	Less than three (3) quotations	DUN/Q/104/2024/2025	6
Membership Subscription	The SA Medical Association	Single Source Supplier	DUN/Q/118/2024/2025	6
Membership Subscription	IIAS	Single Source Supplier	DUN/Q/122/2024/2025	7
Design and development of a course	UNIVERSITY OF STELLENBOSCH	Single Source Supplier	DUN/Q/125/2024/2025	300
Design and development of a course	SOBETHU	Single Source Supplier	DUN/Q/134/2024/2025	288
Training Venue	MILA WETU EVENTS/ UPINGTON INN	Less than three (3) quotations	DUN/Q/135/2024/2025	133
Total				**940**

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Delivery of the EDP	University of Pretoria, Stellenbosch and Fort Hare	Extension of contract		Demand Driven	Demand Driven	Demand Driven
Total						

PART F: FINANCIAL INFORMATION

(VOTE 7)

Report of the Auditor-General to Parliament on vote no. 7: National School of Government

Report on the audit of financial statements

Opinion

1. I have audited the financial statements of the National School of Government (NSG - Vote) set out on pages 111 to 161, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Context 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 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 department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page XX forms part of my auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

11. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected a programme that measures the department's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2 - Public Sector Organisational and Staff Development	[35 - 42]	Provides education, development and training to public sector employees

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

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the 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 / measures taken to improve performance.

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

15. The material findings on the reported performance information for the selected programme are as follows:

Programme 2 - Public Sector Organisational and Staff Development

Amount of revenue generated and other funding sources in TTA

16. An achievement of R101 319 000 in revenue and other funding sources generated in TTA was reported against a target of R101m in revenue and other funding sources generated in TTA . However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Number of learners trained on compulsory and demand-led ETD interventions

17. An achievement of 112,855 learners trained on compulsory and demand-led ETD interventions was reported against a target of 50,500 learners trained on compulsory and demand-led ETD interventions. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Public Sector Organisation and Staff Development. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

24. I did not identify any material non-compliance with the selected legislative requirements

Other information in the annual report

25. The accounting officer is responsible for the other information included in the annual report which includes general information, governance, human resource and PFMA compliance report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.

26. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

28. 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.

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

30. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report.

31. Senior management did not adequately review the reliability portfolio of evidence, as the annual performance report contained material misstatements not detected by the department's own system of internal control.

Auditor General

Pretoria

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

I communicate with the accounting department regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 (Definition of irregular expenditure) Section 38(1)(a)(iv) Section 38(1)(b) Section 38(1)(c)(i) Section 38(1)(c)(ii) Section 38(1)(d) Section 38(1)(h)(iii) Section 39(1)(a) Section 39(2)(a) Section 40(1)(a) Section 40(1)(b) Section 40(1)(c)(i) Sections 43(4) Section 44 Section 45(b) Section 51(1)(a)(iv) Section 57(b)
Treasury regulations	TR 4.1.1 TR 4.1.3 TR 5.1.1 TR 5.2.1 TR 5.2.3(a) TR 5.2.3(d) TR 5.3.1 TR 6.3.1(a) TR 6.3.1(b) TR 6.3.1(c) TR 6.3.1(d) TR 6.4.1(b) TR 7.2.1 TR 8.1.1 TR 8.2.1 TR 8.2.2 TR 8.2.3 TR 8.4.1 TR 9.1.1 TR 9.1.4 TR 10.1.1(a) TR 10.1.2 TR 11.4.1

Legislation	Sections or regulations
	TR 11.4.2 TR 11.5.1 TR 12.5.1 TR 15.10.1.2(c) TR 16A3.2 (fairness) TR 16A3.2(a) TR 16A6.1 TR 16A6.2(a) TR 16A6.2(b) TR 16A6.3(a) TR 16A6.3(b) TR 16A6.3(c) TR 16A6.3(e) TR 16A6.4 TR 16A6.5 TR 16A6.6 TR 16A7.1 TR 16A.7.3 TR 16A7.6 TR 16A.7.7 TR 16A8.3 TR 16A8.4 TR 16A9.1(d) TR 16A9.1(e) TR 16A9.1(f) TR 16A9.2(a)(ii) TR 17.1.1 TR 18.2; TR 19.8.4
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulation 17 Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 1(i) Section 2.1(a) Section 2.1(b) Section 2.1(f)
Preferential Procurement regulations (PPR), 2011	Regulation 4.1 Regulation 4.3 Regulation 5.5 Regulation 6.1 Regulation 6.5 Regulation 7.1 Regulation 9.1 Regulation 9.5

Legislation	Sections or regulations
	Regulation 11.2 Regulation 11.5
Preferential Procurement regulations (PPR), 2017	Regulation 4.1 Regulation 4.2 Regulation 5.1 Regulation 5.3 Regulation 5.6 Regulation 5.7 Regulation 6.1 Regulation 6.2 Regulation 6.3 Regulation 6.5 Regulation 6.6 Regulation 6.8 Regulation 7.1 Regulation 7.2 Regulation 7.3 Regulation 7.5 Regulation 7.6 Regulation 7.8 Regulation 8.2 Regulation 8.5 Regulation 9.1 Regulation 10.1 Regulation 10.2 Regulation 11.1 Regulation 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)

Legislation	Sections or regulations
Public Service regulations (PSR), 2016	Regulations 18(1) Regulation 18(2) Regulation 25(1)(e)(i) Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Par 3.3
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 03 of 2016/17	Par 8.1 Par 8.2 Par 8.3 Par 8.5

school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SCHOOL OF GOVERNMENT VOTE 7

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2025

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APPROPRIATION STATEMENT

for the year ended 31 March 2025

Appropriation per programme									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	110,780	-	-	110,780	108,079	2,701	97.6%	113,338	110,396
2. Public Sector Organisational and Staff Development	107,944	-	-	107,944	107,944	-	100.0%	107,802	107,802
TOTAL	**218,724**	**-**	**-**	**218,724**	**216,023**	**2,701**	**98.8%**	**221,140**	**218,198**

	2024/25		2023/24	
	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000
TOTAL (brought forward)	218,724	216,023	221,140	218,198
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	284		290	
Actual amounts per statement of financial performance (Total revenue)	**219,008**		**221,430**	
Actual amounts per statement of financial performance (Total expenditure)		**216,023**		**218,198**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Appropriation per economic classification									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**106,606**	**(143)**	**-**	**106,463**	**105,196**	**1,267**	**98.8%**	**108,876**	**105,934**
Compensation of employees	63,097	2,151	-	65,248	63,981	1,267	98.1%	60,216	58,418
Goods and services	43,509	(2,294)	-	41,215	41,215	-	100.0%	48,660	47,516
Transfers and subsidies	**107,944**	**143**	**-**	**108,087**	**108,087**	**-**	**100.0%**	**108,002**	**108,002**
Departmental agencies and accounts	107,944	-	-	107,944	107,944	-	100.0%	107,802	107,802
Households	-	143	-	143	143	-	100.0%	200	200
Payments for capital assets	**4,174**	**-**	**-**	**4,174**	**2,740**	**1,434**	**65.6%**	**4,256**	**4,256**
Machinery and equipment	4,174	(71)	-	4,103	2,669	1,434	65.0%	2,301	2,301
Intangible assets	-	71	-	71	71	-	100.0%	1,955	1,955
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**6**
Total	**218,724**	**-**	**-**	**218,724**	**216,023**	**2,701**	**98.8%**	**221,140**	**218,198**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Programme 1: Administration									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	9,649	733	-	10,382	10,133	249	97.6%	12,349	11,205
2. Corporate Services	87,639	(6,564)	-	81,075	78,623	2,452	97.0%	82,192	80,394
3. Property Management	13,492	5,831	-	19,323	19,323	-	100.0%	18,797	18,797
Total for sub programmes	**110,780**	**-**	**-**	**110,780**	**108,079**	**2,701**	**97.6%**	**113,338**	**110,396**
Economic classification									
Current payments	**106,606**	**(143)**	**-**	**106,463**	**105,196**	**1,267**	**98.8%**	**108,876**	**105,934**
Compensation of employees	63,097	2,151	-	65,248	63,981	1,267	98.1%	60,216	58,418
Goods and services	43,509	(2,294)	-	41,215	41,215	-	100.0%	48,660	47,516
Transfers and subsidies	**-**	**143**	**-**	**143**	**143**	**-**	**100.0%**	**200**	**200**
Households	-	143	-	143	143	-	100.0%	200	200
Payments for capital assets	**4,174**	**-**	**-**	**4,174**	**2,740**	**1,434**	**65.6%**	**4,256**	**4,256**
Machinery and equipment	4,174	(71)	-	4,103	2,669	1,434	65.0%	2,301	2,301
Intangible assets	-	71	-	71	71	-	100.0%	1,955	1,955
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**6**
Total	**110,780**	**-**	**-**	**110,780**	**108,079**	**2,701**	**97.6%**	**113,338**	**110,396**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Programme 2: Public Sector Organisational and Staff Development									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Augmentation of the Trading Training Account	107,944	-	-	107,944	107,944	-	100.0%	107,802	107,802
Total for sub programmes	**107,944**	**-**	**-**	**107,944**	**107,944**	**-**	**100.0%**	**107,802**	**107,802**
Economic classification									
Transfers and subsidies	**107,944**	**-**	**-**	**107,944**	**107,944**	**-**	**100.0%**	**107,802**	**107,802**
Departmental agencies and accounts	107,944	-	-	107,944	107,944	-	100.0%	107,802	107,802
Total	**107,944**	**-**	**-**	**107,944**	**107,944**	**-**	**100.0%**	**107,802**	**107,802**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2025

1. Virement)

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1B & 1G of the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions 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

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	110,780	108,079	2,701	2.44%
Public Sector Organisational and Staff Development	107,944	107,944	-	0.00%
Total	**218,724**	**216,023**	**2,701**	**1,23%**

The variance in compensation is due to vacant posts. The variance in capital assets is due to furniture not bought.

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	65,248	63,981	1,267	1.94%
Goods and services	41,215	41,215	-	0.00%
Transfers and subsidies				
Departmental agencies and accounts	107,944	107,944	-	0.00%
Households	143	143	-	0.00%
Payments for capital assets				
Machinery and equipment	4,103	2,669	1,434	34.95%
Intangible assets	71	71	-	0.00%
Payments for financial assets	-	-	-	-
Total	**218,724**	**216,023**	**2,701**	**1.23%**

The variance in compensation is due to vacant posts. The variance in capital assets is due to furniture not bought.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	218,724	221,140
Departmental revenue	2	284	290
TOTAL REVENUE		**219,008**	**221,430**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	63,981	58,418
Goods and services	4	41,215	47,516
Total current expenditure		**105,196**	**105,934**
Transfers and subsidies			
Transfers and subsidies	6	108,087	108,002
Total transfers and subsidies		**108,087**	**108,002**
Expenditure for capital assets			
Tangible assets	7	2,669	2,301
Intangible assets	7	71	1,955
Total expenditure for capital assets		**2,740**	**4,256**
Payments for financial assets	**5**		**6**
TOTAL EXPENDITURE		**216,023**	**218,198**
SURPLUS/(DEFICIT) FOR THE YEAR		**2,985**	**3,232**

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation	11	2,701	2,942
Departmental revenue and NRF receipts	2	284	290
SURPLUS/(DEFICIT) FOR THE YEAR		**2,985**	**3,232**

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	42	947
Prepayments and advances	9	-	23
Receivables	10	2,682	2,007
TOTAL ASSETS		**2,724**	**2,977**
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	2,701	2,942
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	3	3
Payables	13	20	32
TOTAL LIABILITIES		**2,724**	**2,977**
NET ASSETS		**-**	**-**

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Capitalisation reserves			
Opening balance		-	-
Transfers		-	-
Movement in equity		-	-
Movement in operational funds		-	-
Other movements		-	-
Closing balance		-	-
		-	-
Recoverable revenue			
Opening balance		-	-
Transfers:		-	-
Recoverable revenue written off		-	-
Debts revised		-	-
Debts recovered (included in departmental revenue)		-	-
Debts raised		-	-
Closing balance		-	-
		-	-
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
		-	-

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Revaluation reserve			
Opening balance		-	-
Revaluation adjustment (Human Settlements departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
		-	-
Unauthorised expenditure			
Opening balance		-	-
Unauthorised expenditure - current year		-	-
Relating to overspending of the vote or main division within the vote		-	-
Incurred not in accordance with the purpose of the vote or main division		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing Balance		-	-
TOTAL		-	-

CASH FLOW STATEMENT

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		218,948	221,425
Annual appropriation funds received		218,724	221,140
Departmental revenue received	2.1/2.4	224	284
Interest received	2.2	-	1
Net (increase)/decrease in net working capital		(664)	4,778
Surrendered to Revenue Fund		(3,226)	(11,371)
Current payments		(105,196)	(105,934)
Payments for financial assets		-	(6)
Transfers and subsidies paid		(108,087)	(108,002)
Net cash flow available from operating activities	**14**	**1,775**	**890**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(2,740)	(4,256)
Proceeds from sale of capital assets	2.3	60	5
Net cash flow available from investing activities		**(2,680)**	**(4,251)**
Net increase/(decrease) in cash and cash equivalents		(905)	(3,361)
Cash and cash equivalents at beginning of period		947	4,308
Cash and cash equivalents at end of period	15	**42**	**947**

ACCOUNTING POLICIES

for the year ended 31 March 2025

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies	
The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information. The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
1.	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	**Going concern** The financial statements have been prepared on a going concern basis.
3.	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the 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.

ACCOUNTING POLICIES

for the year ended 31 March 2025

7.2	**Departmental revenue**
	Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.
	Departmental revenue is measured at the cash amount received.
	In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.
	Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
8.	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages**
	Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions**
	Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.
	Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure**
	Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
	Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3	**Accruals and payables not recognised**
	Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases**
	Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.
	The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases**
	Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.
	The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.
	At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:
	the fair value of the leased asset; or if lower,
	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.

ACCOUNTING POLICIES

for the year ended 31 March 2025

9.	**Aid assistance**
9.1	**Aid assistance received** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10.	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11.	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.
12.	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	**Investments** Investments are recognised in the statement of financial position at cost.
14.	**Financial assets**
14.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written- off.
14.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

ACCOUNTING POLICIES

for the year ended 31 March 2025

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 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.
	Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
	Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	**Movable capital assets**
	Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.
	Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.
	All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.
	Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.
	Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3	**Intangible capital assets**
	Intangible assets are initially recorded in the notes to the 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 financial statements when the department commences the development phase of the project.
	Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.
	All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.
	Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.
	Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	**Project costs: Work-in-progress**
	Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.
	Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.
	Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

ACCOUNTING POLICIES

for the year ended 31 March 2025

17.	**Provisions and contingents**
17.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events not within the control of the department.
17.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
18.	**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 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.
19.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure 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.

ACCOUNTING POLICIES

for the year ended 31 March 2025

20.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
21.	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22.	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23.	**Departures from the MCS requirements** Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.
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 financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.

ACCOUNTING POLICIES

for the year ended 31 March 2025

27. Inventories (Effective from date determined by the Accountant-General)

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.

28. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

PART B: EXPLANATORY NOTES

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:

	2024/25			2023/24		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	110,780	110,780	-	113,338	113,338	-
Public Sector Organisational and Staff Development	107,944	107,944	-	107,802	107,802	-
Total	**218,724**	**218,724**	**-**	**221,140**	**221,140**	**-**

2. Departmental revenue

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services other than capital assets	2.1	47	38
Interest, dividends and rent on land	2.2	-	1
Sales of capital assets	2.3	60	5
Transactions in financial assets and liabilities	2.4	177	246
Total revenue collected		**284**	**290**
Less: Own revenue included in appropriation		-	-
Total		**284**	**290**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

2.1 Sales of goods and services other than capital assets

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services produced by the department			
Other sales		47	38
Total	2	**47**	**38**

2.2 Interest, dividends and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest		-	1
Total	2	**-**	**1**

2.3 Sales of capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		60	5
Total	2	**60**	**5**

2.4 Transactions in financial assets and liabilities

	Note	2024/25 R'000	2023/24 R'000
Other receipts including Recoverable Revenue		177	246
Total	2	**177**	**246**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

3. Compensation of employees

3.1 Analysis of balance

	Note	2024/25 R'000	2023/24 R'000
Basic salary		43,488	40,033
Service based		54	-
Compensative/circumstantial		1,322	914
Other non-pensionable allowances		10,852	10,108
Total		**55,716**	**51,055**

3.2 Social contributions

Employer contributions	Note	2024/25 R'000	2023/24 R'000
Pension		5,597	5,106
Medical		2,658	2,248
Bargaining council		10	9
Total		**8,265**	**7,363**
Total compensation of employees		**63,981**	**58,418**
Average number of employees		79	74

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4. Goods and services

	Note	2024/25 R'000	2023/24 R'000
Administrative fees		107	96
Advertising**		614	908
Minor assets	4.1	122	118
Bursaries (employees)		844	709
Catering		298	309
Communication		678	883
Computer services*	4.2	8,193	10,399
Consultants: Business and advisory services		558	796
Legal services		196	12
Contractors		384	842
Agency and support / outsourced services		-	75
Entertainment		2	-
Audit cost – external****	4.3	2,211	4,321
Fleet services		224	228
Consumables	4.4	1,680	1,341
Operating leases		15,962	15,207
Property payments	4.5	4,622	4,993
Rental and hiring		-	3
Travel and subsistence***	4.6	2,612	3,928
Venues and facilities		510	859
Training and development		888	634
Other operating expenditure	4.7	510	855
Total		**41,215**	**47,516**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

*The decrease in computer services is due to licences being split and allocated according to usage from the 2024/25 financial year.

**The increase in advertising is due marketing advertising.

***The decrease in Travel and subsistence is due to cost containment measures being instated by National Treasury.

****The decrease in audit cost is due to the fact that audit cost are being split between Vote and Trade from the 2024/25 financial year.

4.1 Minor assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		122	118
Total	4	**122**	**118**

4.2 Computer services

	Note	2024/25 R'000	2023/24 R'000
SITA computer services		2,058	1,702
External computer service providers		6,135	8,697
Total	4	**8,193**	**10,399**

4.3 Audit cost - external

	Note	2024/25 R'000	2023/24 R'000
Regularity audits		2,211	4,321
Total	4	**2,211**	**4,321**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4.4 Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies			
Uniform and clothing		-	2
Household supplies		519	289
Communication accessories		-	2
IT consumables		223	216
Other consumables		60	43
Stationery, printing and office supplies		878	789
Total	4	**1,680**	**1,341**

4.5 Property payments

	Note	2024/25 R'000	2023/24 R'000
Municipal services		1,161	1,429
Property management fees		735	690
Property maintenance and repairs		185	188
Other		2,541	2,686
Total	4	**4,622**	**4,993**

4.6 Travel and subsistence

	Note	2024/25 R'000	2023/24 R'000
Local		1,621	1,261
Foreign		991	2,667
Total	4	**2,612**	**3,928**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4.7 Other operating expenditure

	Note	2024/25 R'000	2023/24 R'000
Professional bodies, membership and subscription fees		35	11
Resettlement costs		85	-
Other		390	844
Total	4	**510**	**855**

4.8 Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)

	Note	2024/25 R'000	2023/24 R'000
Audit Committee		283	257
Total		**283**	**257**

5. Payments for financial assets

	Note	2024/25 R'000	2023/24 R'000
Debts written off	5.1	-	6
Total		**-**	**6**

5.1 Debts written off

Nature of debts written off	Note	2024/25 R'000	2023/24 R'000
Other debt written off			
Employee Debt		-	6
Total debt written off	5	**-**	**6**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

6. Transfers and subsidies

	Note	2024/25 R'000	2023/24 R'000
Departmental agencies and accounts	Annex 1B	107,944	107,802
Households	Annex 1G	143	200
Total		**108,087**	**108,002**

7. Expenditure for capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		2,669	2,301
Intangible capital assets			
Software		71	1,955
Total		**2,740**	**4,256**

7.1 Analysis of funds utilised to acquire capital assets - Current year

2024/25			
Name of entity	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible capital assets			
Machinery and equipment	2,669	-	2,669
Intangible capital assets			
Software	71	-	71
Total	**2,740**	**-**	**2,740**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

7.2 Analysis of funds utilised to acquire capital assets - Prior year

2023/24			
Name of entity	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets			
Machinery and equipment	2,301	-	2,301
Intangible capital assets			
Software	1,955	-	1,955
Total	**4,256**	**-**	**4,256**

7.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2024/25	2023/24
		R'000	R'000
Tangible capital assets			
Machinery and equipment		11	10
Total		**11**	**10**

8. Cash and cash equivalents

	Note	2024/25	2023/24
		R'000	R'000
Consolidated Paymaster General Account		12	917
Cash on hand		30	30
Total		**42**	**947**

The decrease is due to payments being processed at year end relating to Trade Account.

9. Prepayments and advances

	Note	2024/25 R'000	2023/24 R'000
Travel and subsistence		-	23
Total		**-**	**23**
Analysis of Total Prepayments and advances			
Current Prepayments and advances		-	23
Total		**-**	**23**

10. Receivables

		2024/25			2023/24		
	Note	Current	Non- current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	1,423	-	1,423	723	-	723
Staff debt	10.2	99	-	99	124	-	124
Other receivables	10.3	1,160	-	1,160	1,160	-	1,160
Total		**2,682**	**-**	**2,682**	**2,007**	**-**	**2,007**

10.1 Claims recoverable

	Note	2024/25 R'000	2023/24 R'000
National departments		1,423	723
Total	10	**1,423**	**723**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

10.2 Staff debt

	Note	2024/25 R'000	2023/24 R'000
Bursary Debts		16	28
Salary Overpayment		58	59
GG Vehicles		-	37
Tax Debt		4	-
Recovery of damages/losses		21	-
Total	10	**99**	**124**

10.3 Other receivables

	Note	2024/25 R'000	2023/24 R'000
VAT		1,160	1,160
Total	10	**1,160**	**1,160**

10.4 Impairment of receivables

	Note	2024/25 R'000	2023/24 R'000
Estimate of impairment of receivables		1,359	1,269
Total		**1,359**	**1,269**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

11. Voted funds to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		2,942	11,046
As restated		2,942	11,046
Transferred from statement of financial performance (as restated)		2,701	2,942
Paid during the year		(2,942)	(11,046)
Closing balance		**2,701**	**2,942**

12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		3	38
As restated		3	38
Transferred from statement of financial performance (as restated)		284	290
Paid during the year		(284)	(325)
Closing balance		**3**	**3**

13. Payables - current

	Note	2024/25 R'000	2023/24 R'000
Amounts owing to other entities		20	32
Total		**20**	**32**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Included in the above totals are the following:	Note	2024/25 R'000	2023/24 R'000
Confirmed balances with other departments	Annex 5	20	-
Total		**20**	**-**

14. Net cash flow available from operating activities

	Note	2024/25 R'000	2023/24 R'000
Net surplus/(deficit) as per Statement of Financial Performance		2,985	3,232
Add back non-cash/cash movements not deemed operating activities		(1,210)	(2,342)
(Increase)/decrease in receivables		(675)	5,035
(Increase)/decrease in prepayments and advances		23	7
Increase/(decrease) in payables - current		(12)	(264)
Proceeds from sale of capital assets		(60)	(5)
Expenditure on capital assets		2,740	4,256
Surrenders to Revenue Fund		(3,226)	(11,371)
Net cash flow generated by operating activities		**1,775**	**890**

15. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account		12	917
Cash on hand		30	30
Total		**42**	**947**

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

Liable to	Nature	Note	2024/25 R'000	2023/24 R'000
Claims against the department		Annex 3B	27,138	27,200
Total			**27,138**	**27,200**

17. Capital commitments

	Note	2024/25 R'000	2023/24 R'000
Machinery and equipment		130	-
Intangible assets		-	-
Total		**130**	**-**

18. Accruals and payables not recognised

18.1 Accruals

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		1,288	-	1,288	907
Other		81	-	81	100
Total		**1,369**	**-**	**1,369**	**1,007**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Listed by programme level	Note	2024/25 R'000	2023/24 R'000
Programme 1 Administration (Goods and Services)		1,288	907
Programme 1 Administration (Compensation)		81	100
Total		**1,369**	**1,007**

18.2 Payables not recognised

Listed by economic classification	Note	2024/25 30 Days R'000	2024/25 30+ Days R'000	2024/25 Total R'000	2023/24 Total R'000
Goods and services		5	-	5	-
Total		**5**	**-**	**5**	**-**

Listed by programme level	Note	2024/25 R'000	2023/24 R'000
Programme 1 Administration (Goods and Services)		5	-
Total		**5**	**-**

19. Employee benefits

	Note	2024/25 R'000	2023/24 R'000
Leave entitlement		2,752	2,784
Service bonus		1,766	1,724
Capped leave		925	1,078
Other*		35	27
Total		**5,478**	**5,613**

At this stage the department is not able to reliably measure the long term portion of the long service awards.

*This amount includes negative leave which relates to vacation leave taken in advance by employees R-9 thousand as well as the provision for long service awards R44 thousand.

20. Lease commitments

20.1 Operating leases

2024/25	Vehicles	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	597	-	-	554	1,151
Later than 1 year and not later than 5 years	-	-	-	-	-
Total lease commitments	**597**	**-**	**-**	**554**	**1,151**

2023/24	Vehicles	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	1,743	-	-	958	2,701
Later than 1 year and not later than 5 years	597	-	-	554	1,151
Total lease commitments	**2,340**	**-**	**-**	**1,512**	**3,852**

The operating leases include vehicles with a contract period of 36 months or 100,000 km reached, whatever is first. These contracts started in 2022. The photocopier machine rentals have a lease period of 36 months and started in November 2022.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

20.2 Finance leases **

2024/25	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**-**	**-**

2023/24	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	11	11
Later than 1 year and not later than 5 years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**11**	**11**

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on Public Private Partnerships.

Leases in the 2024/2025 financial year are all operating leases except for the IPAD, which is a finance lease. The value the finance lease is calculated as instructed by National Treasury.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

21. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2024/25 R'000	2023/24 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		584	-
Fruitless and wasteful expenditure - current year		19	-
Total		**603**	**-**

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

22. Related party transactions

NSG VOTE 7 has a related party relationship with all the public sector entities falling within the portfolio of the Minister for Public Service and Administration. During the period under review related party transactions were entered into with the following entities.

Entity	Nature of transactions
Government Employees Medical Scheme	Under the same Minister
Department of Public Service & Administration	Under the same Minister
NSG Training Trading Account	Provision of training; Administration; maintenance of records
Public Service Commisssion	Under the same Minister
Centre for Public Service Innovation	Under the same Minister

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

23. Key management personnel

	2024/25 R'000	2023/24 R'000
Officials:		
Level 15 to 16	5,390	4,803
Level 14 (including Chief Financial Officer)	3,175	3,008
Total	**8,565**	**7,811**

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

2024/25	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**35,823**		**2,658**	**(1,117)**	**37,364**
Computer equipment	21,683		1,751	(1,011)	22,423
Furniture and office equipment	8,232		84	(23)	8,293
Other machinery and equipment	5,908		823	(83)	6,648
FINANCE LEASE ASSETS	**-**		**11**	**(11)**	**-**
Finance lease assets	-		11	(11)	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**35,823**	**-**	**2,669**	**(1,128)**	**37,364**

Finance lease included in computer equipment as calculated amount (20) prescribed by NT therefore also shown as disposals.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Movable Tangible Capital Assets under investigation

	Note	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Machinery and equipment		17	381
Total		**17**	**381**

The assets under investigation are due to losses up to 2024/25 financial year not yet finalised. It is either being investigated or in the process of being written off.

24.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**33,780**	**9**	**2,301**	**(267)**	**35,823**
Computer equipment	20,931	20	866	(134)	21,683
Furniture and office equipment	8,237	-	-	(5)	8,232
Other machinery and equipment	4,612	(11)	1,435	(128)	5,908
FINANCE LEASE ASSETS	**-**	**-**	**-**	**-**	**-**
Finance lease assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**33,780**	**9**	**2,301**	**(267)**	**35,823**

24.1.1 Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 2023/24 [affecting the opening balance]		9
Total prior period errors		**9**

Changes in lease accounting by National Treasury. Lease amount of R20 indicated in asset register is calculated according to National Treasury instructions, full amount of finance lease paid is not included in asset register.

24.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

2024/25

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance		87	-	10,705	-	-	10,792
Value adjustments	-	-	-	-	-	-	-
Additions	-	-	-	122	-	-	122
Disposals	-	(50)	-	(252)	-	-	(302)
Total Minor assets	**-**	**37**	**-**	**10,575**	**-**	**-**	**10,612**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of minor assets at cost	-	31	-	6,215	-	-	6,246
Total number of minor assets	**-**	**31**	**-**	**6,215**	**-**	**-**	**6,246**

Minor capital assets under investigation

	Note	Number	Value R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		11	20

The assets under investigation are due to losses up to 2024/25 financial year not finalised yet. It is ether being investigated or in the process of being written off

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	87	-	10,718	-	-	10,805
Prior period error	-	-	-	-	-	-	-
Additions	-	-	-	118	-	-	118
Disposals	-	-	-	(131)	-	-	(131)
Total Minor assets	**-**	**87**	**-**	**10,705**	**-**	**-**	**10,792**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of minor assets at cost	-	211	-	6,278	-	-	6,489
Total number of minor assets	**-**	**211**	**-**	**6,278**	**-**	**-**	**6,489**

24.3 Movable capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

2024/25

	Specialis ed military assets	Intangibl e assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	199	-	-	199
Total movable assets written off	**-**	**-**	**-**	**199**	**-**	**-**	**199**

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

2023/24

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-	-
Total movable assets written off	**-**	**-**	**-**	**-**	**-**	**-**	**-**

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

2024/25

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	2,606	71	(385)	2,292
TOTAL INTANGIBLE CAPITAL ASSETS	**2,606**	**71**	**(385)**	**2,292**

25.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24					
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	651	-	1,955	-	2,606
TOTAL INTANGIBLE CAPITAL ASSETS	**651**	**-**	**1,955**	**-**	**2,606**

26. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B- BBEE Compliance Performance Information.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2024/25						2023/24	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National School of Government Trading account	107,944	-	-	107,944	107,944	100.0%	107,802	107,802
TOTAL	**107,944**	**-**	**-**	**107,944**	**107,944**	**100.0%**	**107,802**	**107,802**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustment s	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Leave Gratuities	143	-	-	143	143	100.0%	200	200
TOTAL	**143**	**-**	**-**	**143**	**143**	**100.0%**	**200**	**200**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 24/25	% Held 23/24	Number of shares held R'000		Cost of investments R'000		Net asset value of investments R'000		Profit/(Loss) for the year R'000		Losses guaranteed
				2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Yes/No
National / Provincial Public entity												
NSG Training Trading Entity								161,504	199,628			
TOTAL								**161,504**	**199,628**			

The Investment amount for 2023/24 is restated.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
An employee of the National School of Government has issued a statement of claim in the Labour Court, wherein he is claiming remuneration that he be paid on the same level as a deputy director even though he was appointed as an assistant director.	300	-	-	-	300
Two employees of the NSG who were not awarded performance bonuses for the performance cycle 2018-2019 referred an unfair labour practice dispute to the Bargaining Council and obtained a favourable award. The NSG referred the matter to the office of the State Attorney to review the award.	250	138	-	-	388
The plaintiff, a former employee of the NSG issued summons against the NSG for losses and damages allegedly as a result of the NSG rejecting to approve his application for remunerative work outside of the Public Service.	26,290	-	(200)	-	26 090
The NSG received an application to compel MP COGTA and others to issue a certification of completion of the Compulsory Induction programme (CIP) to a learner.	-	-	-	-	-
The NSG received an adverse arbitration award re-instating a dismissed employee. The NSG then resolved to review the arbitration award at the Labour Court which process is currently taking place.	360	-	-	-	360
TOTAL	**27,200**	**138**	**(200)**	**-**	**27,138**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
COGTA	-	-	47	47	47	47		
NSG Trading Account	1,267	542	-	-	1,267	542		
Agriculture	-	-	20	-	20	-		
Justice	-	-	-	25	-	25		
AMDIN	-	18	-	-	-	18		
Office of the Chief Justice	-	-	89	89	89	89		
Stats SA	-	-	-	2	-	2		
TOTAL	**1,267**	**560**	**156**	**163**	**1,423**	**723**		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
SARS	17	31			17	31		
GEPF	3	1			3	1		
TOTAL INTERGOVERNMENT PAYABLES	**20**	**32**			**20**	**32**		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 6

INVENTORIES

Inventories for the year ended 31 March 2025				Materials and Supplies	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance				160	160
Add/(Less: Adjustments to prior year balances				-	-
Add: Additions/Purchases - Cash				306	306
Add: Additions - Non-cash				141	141
(Less): Disposals				-	-
(Less): Issues				(585)	(585)
Add/(Less): Received current, not paid; (Paid current year, received prior year)				112	112
Add/(Less): Adjustments				26	26
Closing balance				**160**	**160**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Inventories for the year ended 31 March 2024				Materials and Supplies	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance				66	66
Add/(Less: Adjustments to prior year balances				-	-
Add: Additions/Purchases - Cash				178	178
Add: Additions - Non-cash				90	90
(Less): Disposals				(15)	(15)
(Less): Issues				(198)	(198)
Add/(Less): Received current, not paid; (Paid current year, received prior year)				-	-
Add/(Less): Adjustments				39	39
Closing balance				**160**	**160**

PART F: FINANCIAL INFORMATION

TRAINING TRADE ACCOUNT (TTA)

Report of the Auditor-General to Parliament on the National School of Government Training Trading Account

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the National School of Government Training Trading Account (NSG – TTA) set out on pages 175 to 209, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the National School of Government Training Trading Account (NSG - TTA as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practices (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) .

Basis for qualified opinion

Revenue from exchange transactions

3. Revenue from courses rendered was not calculated correctly, in accordance with Standards of GRAP 9, *Revenue from Exchange Transactions*. The trading entity did not accurately account for the training that took place. Consequently, revenue from courses rendered was overstated by R8 150 240 and it is impracticable to determine the extent of the impact on receivables from exchange transactions and payables from exchange transactions. Additionally, there was an impact on the deficit for the period and on the accumulated surplus.

4. In addition, the trading entity did not recognise the revenue from exchange transactions in accordance with Standards of GRAP 1, *Presentation of Financial Statements*. The trading entity recognised forfeited prepayments relating to training not undertaken by participants in the incorrect period. Consequently, revenue from exchange transactions were overstated by R27 511 018. This also has an impact on the accumulated surplus.

Payables from exchange transactions

5. The trading entity did not recognise the payables from exchange transactions in accordance with Standards of GRAP 1, *Presentation of Financial Statements*. The trading entity did not derecognise forfeited prepayments relating to training not undertaken by participants. Consequently, payables from exchange transactions were overstated by R18 207 892, while revenue form exchange transactions were understated by R17 120 993. Additionally, there was an impact on the accumulated surplus.

Context for opinion

6. 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.

7. I am independent of the trading entity 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.

8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

10. As disclosed in note 18 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2025.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

12. In preparing financial statements, the accounting officer is responsible for assessing the trading entity'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 trading entity or to cease operations, or has no realistic alternative but to do so.

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

13. 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.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page [page number of the annexure to the auditor's report], forms part of my auditor's report.

Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

16. The trading entity's performance information was reported in the annual performance report of the National School of Government. I audited the reported performance information as part of the audit of National School of Government and any audit findings are included in that audit report.

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

Revenue management

21. Appropriate processes were not developed to provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue as required by treasury regulation 7.2.1.

22. Reasonable steps were not taken to recover debts before writing them off, as required by treasury regulation 11.4.1

23. Bad debts was written contrary to the requirements of the NSG – TTA's write-off policy, as required by treasury regulation 11.4.2.

24. Effective and appropriate steps were not taken by management to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

AFS and annual report

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA.

26. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified opinion.

Other information in the annual report

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

28. 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.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. 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.

Internal control deficiencies

31. 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.

32. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on compliance with legislation included in this report.

33. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information as there were material misstatements identified in revenue recognition which resulted in a modification of the auditor's opinion.

34. Management did not implement controls over daily and monthly processing and reconciling of transactions as there was no formal accounting policy and standard operating procedures for the forfeiture of payables from exchange transactions which resulted in a modification of the auditor's opinion.

35. Management did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls as there were material non compliances in the write off of bad debts.

36. Management did not review and monitor compliance with applicable legislation as there were numerous material non-compliances with legislation identified.

37. Management did not establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities as there were material misstatements identified in the revenue recognition for which there was no accounting policy.

Auditor General

Pretoria

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the trading entity'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 trading entity'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 trading entity 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 trading entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 (Definition of irregular expenditure) Section 38(1)(a)(iv) Section 38(1)(b) Section 38(1)(c)(i) Section 38(1)(c)(ii) Section 38(1)(d) Section 38(1)(h)(iii) Section 39(1)(a) Section 39(2)(a) Section 40(1)(a) Section 40(1)(b) Section 40(1)(c)(i) Sections 43(4) Section 44 Section 45(b) Section 51(1)(a)(iv) Section 57(b)
Treasury regulations	TR 4.1.1 TR 4.1.3 TR 5.1.1 TR 5.2.1 TR 5.2.3(a) TR 5.2.3(d) TR 5.3.1 TR 6.3.1(a)

Legislation	Sections or regulations
	TR 6.3.1(b) TR 6.3.1(c) TR 6.3.1(d) TR 6.4.1(b) TR 7.2.1 TR 8.1.1 TR 8.2.1 TR 8.2.2 TR 8.2.3 TR 8.4.1 TR 9.1.1 TR 9.1.4 TR 10.1.1(a) TR 10.1.2 TR 11.4.1 TR 11.4.2 TR 11.5.1 TR 12.5.1 TR 15.10.1.2(c) TR 16A3.2 (fairness) TR 16A3.2(a) TR 16A6.1 TR 16A6.2(a) TR 16A6.2(b) TR 16A6.3(a) TR 16A6.3(b) TR 16A6.3(c)

Legislation	Sections or regulations
	TR 16A6.3(e) TR 16A6.4 TR 16A6.5 TR 16A6.6 TR 16A7.1 TR 16A.7.3 TR 16A7.6 TR 16A.7.7 TR 16A8.3 TR 16A8.4 TR 16A9.1(d) TR 16A9.1(e) TR 16A9.1(f) TR 16A9.2(a (ii) TR 17.1.1 TR 18.2; TR 19.8.4
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulation 17 Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 1(i) Section 2.1(a) Section 2.1(b) Section 2.1(f)
Preferential Procurement regulations (PPR), 2011	Regulation 4.1 Regulation 4.3 Regulation 5.5 Regulation 6.1

Legislation	Sections or regulations
	Regulation 6.5 Regulation 7.1 Regulation 9.1 Regulation 9.5 Regulation 11.2 Regulation 11.5
Preferential Procurement regulations (PPR), 2017	Regulation 4.1 Regulation 4.2 Regulation 5.1 Regulation 5.3 Regulation 5.6 Regulation 5.7 Regulation 6.1 Regulation 6.2 Regulation 6.3 Regulation 6.5 Regulation 6.6 Regulation 6.8 Regulation 7.1 Regulation 7.2 Regulation 7.3 Regulation 7.5 Regulation 7.6 Regulation 7.8 Regulation 8.2 Regulation 8.5 Regulation 9.1 Regulation 10.1 Regulation 10.2 Regulation 11.1

Legislation	Sections or regulations
	Regulation 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Public Service regulations (PSR), 2016	Regulations 18(1) Regulation 18(2) Regulation 25(1)(e)(i) Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Par 3.3
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 03 of 2016/17	Par 8.1 Par 8.2 Par 8.3 Par 8.5

school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SCHOOL OF GOVERNMENT (NSG)

TRAINING TRADING ACCOUNT (TTA)

Annual Financial Statements

for the year ended 31 March 2025

General Information

Executive Management	Prof Busani Ngcaweni
	Dr Botshabelo Maja
	Ms Phindile Mkwanazi
	Dr Lakela Kaunda
	Mr Kubele Hlalethwa
Business address	ZK Matthews Building
	70 Mentjies Street
	Sunnyside
	Pretoria
	0001
Postal address	Private Bag X759
	Pretoria
	0001
Bankers	ABSA Bank
Auditors	Auditor General South Africa
Controlling Department	National School of Government

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The reports and statements set out below comprise the annual financial statements presented to the Parliament:

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Statement of Responsibility

The Accounting Officer is responsible for the preparation and integrity of the financial statements and related information included in the annual report. In order for the Accounting Officer to discharge these responsibilities, as well as those bestowed on him in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and other applicable legislation, he has developed, and maintains, a system of internal controls.

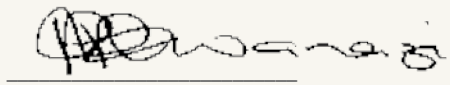
The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and transactions executed and recorded in accordance with generally accepted business practices, as well as the entity's policies and procedures. Monitoring of these controls includes a regular review of their operations by the accounting officer and independent oversight by an audit committee.

The Auditor-General, as external auditor is responsible for reporting on the financial statements.

The financial statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP) and incorporate disclosure in line with the accounting philosophy of the entity and the requirements of the PFMA. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer believes that the entity will be a going concern in the year ahead due to the government grant and its own generation of revenue. For this reason, the accounting officer has adopted the going concern basis in preparing the annual financial statements. Refer to the Accounting Officer's Report of NSG Vote 7 on the operations of the NSG Training Trading Account (NSG TTA).

The Accounting Officer hereby approves the annual financial statements of the NSG TTA for the year ended 31 March 2025, as set out on pages 173 to 208.



MS PHINDILE MKWANAZI

ACCOUNTING OFFICER: NATIONAL SCHOOL OF GOVERNMENT

DATE: 31 AUGUST 2025

Statement of Financial Position

as at 31 March 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Assets			
Current Assets			
Cash and cash equivalents	6	246,063	253,868
Receivables from exchange transactions	7	5,377	9,549
		251,440	**263,417**
Non-Current Assets			
Intangible assets	8	40,752	39,941
Total Assets		**292,192**	**303,358**
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	124,679	96,436
Payables from non-exchange transactions	10	313	437
Employees benefits	11	9,273	9,668
		134,265	**106,541**
Total Liabilities		**134,265**	**106,541**
Net Assets		**157,927**	**196,817**
Accumulated surplus		157,927	196,817
Total Net Assets		**157,927**	**196,817**

Statement of Financial Performance

for the year ended 31 March 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Revenue			
Revenue from exchange transactions			
Courses Rendered		101,319	141,819
Interest received (trading)		1,212	952
Other revenue		2,634	2,146
Interest received - investments		17,111	16,733
Revenue from exchange transactions	2	**122,276**	**161,650**
Revenue from non-exchange transactions			
Transfer revenue			
Grants & subsidies		108,458	108,235
Revenue from non-exchange transactions	3	**108,458**	**108,235**
Total revenue		**230,734**	**269,885**
Expenditure			
Employee related costs	4	(112,369)	(105,641)
Operating Expenses	5	(157,257)	(135,787)
Total expenditure		**(269,626)**	**(241,428)**
(Deficit) surplus for the year		**(38,892)**	**28,457**

Statement of Changes in Net Assets

for the year ended 31 March 2025

	Accumulated surplus / deficit	Total net assets
	R '000	R '000
Opening balance as previously reported	165,536	165,536
Adjustments		
Correction of Prior Period (Note 18)	2,825	2,825
Balance at 01 April 2023 as restated*	**168,361**	**168,361**
Changes in net assets Surplus for the year	28,457	28,457
Surplus for the year as previously stated	29,812	29,812
Correction of Prior Period Error (Note 18)	(1,355)	(1,355)
Restated* Balance at 01 April 2024	**196,819**	**196,819**
Changes in net assets		
Surplus for the year	(38,892)	(38,892)
Total changes	(38,892)	(38,892)
Balance at 31 March 2025	**157,927**	**157,927**

Cash Flow Statement

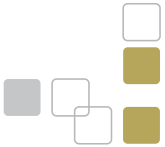
for the year ended 31 March 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Cash flows from operating activities			
Receipts			
Cash Received from Clients		136,432	141,484
Grants		107,944	107,802
Interest income		17,111	16,733
		261,487	266,019
Payments			
Employee costs		(112,765)	(105,359)
Suppliers for goods and services		(151,238)	(136,211)
		(264,003)	(241,570)
Net cash flows from operating activities	12	**(2,516)**	**24,449**
Cash flows from investing activities			
Purchase of other intangible assets	8	(5,290)	(5,957)
Net increase/(decrease) in cash and cash equivalents		**(7,806)**	**18,492**
Cash and cash equivalents at the beginning of the year		253,869	235,374
Cash and cash equivalents at the end of the year	6	**246,063**	**253,866**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

		Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
		R '000	R '000	R '000	R '000	R '000
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of service - course fees		101,895	-	101,895	101,319	**(576)**
Interest received (trading)		-	-	-	1,212	**1,212**
Other revenue		-	-	-	2,634	**2,634**
Interest received - investments		3,891	-	3,891	17,111	**13,220**
Total revenue from exchange transactions		**105,786**	**-**	**105,786**	**122,276**	**16,490**
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies		107,944	-	107,944	107,944	**-**
Donations		-	-	-	514	**514**
Total revenue from non-exchange transactions		**107,944**	**-**	**107,944**	**108,458**	**514**
Total revenue		**213,730**	**-**	**213,730**	**230,734**	**17,004**
Expenditure						
Personnel		(115,831)	-	(115,831)	(112,369)	**3,462**
General Expenses		(97,899)	-	(97,899)	(157,257)	**(59,358)**
Total expenditure		**(213,730)**	**-**	**(213,730)**	**(269,626)**	**(55,896)**
Deficit before taxation		**-**	**-**	**-**	**(38,892)**	**(38,892)**
Capital Expenditure		**-**	**-**	**-**	**(38,892)**	**(38,892)**
Intangible Assets		-	-	-	(5,290)	**(5,290)**
Budget Dificit	Note 14	**-**	**-**	**-**	**(44,182)**	**(44,182)**



ACCOUNTING POLICIES

for the year ended 31 March 2025

1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Statement of compliance

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

1.2 Standards of GRAP issued but not yet effective.

The Standard of GRAP that has been issued by the ASB, but where the Minister has not determined an effective date, has not been adopted by the NSG.

Once adopted the following standards will be applicable to the entity:

Grap 1- Presentation of financial statements

Grap 104 - Financial instruments

1.3 Basis of preparation, presentation currency and rounding

The annual financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

1.4 Functional Currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.5 Going concern assumption

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern for a period of 12 months from the reporting date. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

1.6 Significant judgements and estimates

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. Management is required to exercise its judgement in the process of applying the entity's accounting policies. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

1.7 Fair value adjustment of receivables and payables

The calculation of the fair value adjustment of receivables is based on an assessment of the average age of receivables. All receivables are assumed to settle their accounts on the average settlement period. The receivables balance is discounted to its current fair value over this term at the government gazetted rate. As at reporting date the rates specified were 11% (2022/23: 11.75%) per annum on the outstanding balance.

The gross payables have been assumed to approximate their fair value as the entity policy is to settle all payables one month of invoice date.

1.8 Determination of allowance for doubtful debts

The calculation in respect of the impairment of debtors is based on a historical assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to subsequently make payments. The entity has recognised an allowance for doubtful debts of 100% against all receivables over 2 years because historical experience has been that receivables that are past due beyond 2 years are not recoverable. Refer to note 7.

1.9 Comparative information

Prior year comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior year financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

1.10 Revenue from non-exchange transactions

Transfers and subsidies received represent the operating grant received from the controlling department - NSG Vote 7.

The NSG recognises the inflow of resources from a non-exchange transaction as revenue, except when a liability is recognised in respect of that inflow. These liabilities are classified as payables from non-exchange transactions. Where services are received in-kind, and a reliable estimate can be made, the NSG will recognise the related revenue. In all other cases, the NSG will only disclose the event.

1.11 Revenue from exchange transactions

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable. Charges for services are determined in accordance with Treasury Regulation 19.5.

Rendering of services

Revenue from the rendering of training services is recognised on the accrual basis in the reporting periods in which the services are rendered where applicable in reference to stage of completion method.

Stage of completion method

The revenue is recognised in reference to services performed to date as a percentage of total services to be performed.

Where the entity provides administrative support and the client department is responsible for the training roll out, the revenue will be recognised in relation to the administrative services provided at the set mile stones where the entity hands over to the client department and resume again when client department provides the required evidence for the entity to complete the remaining administrative services.

The entity will recognise 85% of the revenue when the entity hands over the training material to the client department as the equivalent percentage of the administrative services have been performed at this stage and the remaining 15% will be recognised when the client department provides training roll out evidence, then the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable

ACCOUNTING POLICIES

for the year ended 31 March 2025

1.11 Revenue from exchange transactions (continued)

Revenue for E-Learning courses is recognised when the client access the system.

Other Revenue

Other Revenue refers to any amount recognised by the Trading Entity from exchange transaction but which does not form part of rendering of service. The amount of other revenue are as a result of exchange transaction and is recognised as fair value.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

1.12 Expenditure

Expenditure is classified in accordance with the nature of the expenditure.

The NSG recognises expenditure in the statement of financial performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

The NSG recognises expense immediately in the statement of financial performance when expenses produce no future economic benefits or service potential or when and to the extent that, future economic benefits or service potential do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

The NSG also recognises expenses in the statement of financial performance in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

1.13 Employee benefits

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the period in which the employee renders the related service.

Social contributions include the entity's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the period in which the employee renders the related service.

Short-term employee benefits

Short-term employee benefits comprise of leave entitlements, thirteenth cheques and performance bonuses. The cost of short- term employee benefits is recognised in the period in which the employee renders the related service.

Short-term employee benefits that give rise to a present legal or constructive obligation are recognised and provided for at reporting date, based on current salary rates.

Post-employment retirement benefits

The entity, through its controlling department - NSG Vote 7, provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are charged to the statement of financial performance in the year to which they relate.

No provision is made for retirement benefits in the annual financial statements of the entity. Any potential liabilities are disclosed in the annual financial statements of the National Revenue Fund.

The entity does not contribute to the medical aid of retired employees.

1.13 Employee benefits (continued)

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminate the employment of the current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. If the benefit falls due more than 12 months after reporting date, they are discounted to present value.

1.14 Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus, in the case of a financial asset not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition of the financial asset.

All recognised financial assets are subsequently measured at fair value, amortised cost or cost.

Classification of financial assets

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

Financial assets at amortised cost and the effective interest method

The entity's principal financial assets are 'trade and other receivables' and 'cash and cash equivalents'. These financial assets are classified as 'loans and receivables' and designated at amortised cost.

Loans and receivables are measured initially at fair value plus transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the time-value of money.

Loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment with interest revenue recognised on an effective yield basis in investment revenue.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Gain or losses

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

For financial assets measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset is derecognised or impaired or through the amortisation process.

1.14 Financial assets (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairment of financial assets at amortised cost

Financial assets that are measured at amortised cost are assessed for indicators of impairment at the end of each reporting period.

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 2 years, as well as observable budget constraints that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, reflecting the impact of collateral and guarantees, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

1.14 Financial assets (continued)

Derecognition of Financial Assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in net assets is included in net surplus or deficit for the period.

1.15 Financial liabilities and equity instruments

Classification of financial liabilities and equity

The entity operates as a trading entity under the administration of NSG Vote 7. Upon closure of the entity, all the assets and liabilities shall be transferred to the controlling department and taken on record. Consequently, debt instruments are classified as financial liabilities.

All of the entity's financial liabilities are classified as 'other financial liabilities'.

Financial guarantee contract liabilities

Financial guarantee contracts represent contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they are contractually due. The entity provides guarantees to commercial banks on behalf of employees' housing loans.

Financial guarantee contract liabilities are initially measured at their fair values and are subsequently measured at the higher of the amount of the obligation under the contract (as determined in accordance with GRAP 19: 'Provisions, Contingent Liabilities and Contingent Assets') or the amount initially recognised.

Other financial liabilities

The entity's principal financial liability is 'trade and other payables'.

Other financial liabilities are initially measured at fair value, net of transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the time value of money.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The entity derecognises a financial liability or a part thereof when, and only when, the entity's obligations are discharged, cancelled, or they expire. On derecognition, the difference between the carrying amount of the financial liability including related unamortised costs, and the amount paid for it is included in surplus or deficit for the period.

1.16 Property, plant and equipment

The entity does not recognise assets relating to items of property, plant and equipment as the controlling department, NSG Vote 7, holds all items of property, plant and equipment. The entity utilises property, plant and equipment belonging to the controlling department free of charge as part of the controlling department's administration function.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

1.18 Intangible assets

Intangible assets acquired externally are initially recognised at historical cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a retrospective basis.

Training Courses with effect from 1 April 2011, were determined to have indefinite useful lives and are not amortised into results of operations, but instead are reviewed for impairment annually, or more often if impairment indicators arise.

Training Management System determined to have a useful life of ten (10) years as from June 2024 and is reviewed annually for Impairment.

Licenses are determined to have a useful life of 48 months as from the date of purchase and are impairment monthly.

The Library System was determined to have a useful life of 87 months as from the date of purchase and is impaired monthly.

Internally generated intangible assets

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets may have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit in those expense categories consistent with the function of the impaired asset.

1.18 Intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

1.19 Borrowings

In terms of section 19.2.3 of the Treasury Regulations the entity may not borrow for bridging purposes and may not run an overdraft on its banking account.

1.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The entity may generally not enter into finance leases as it is prohibited by Treasury Regulation 13.2.4. However, National Treasury permits entities to enter into finance leases under certain conditions as outlined in the Office of the Accountant- General practice note 5 of 2006/07 'Finance Lease Transactions' despite the provisions of Treasury Regulation 13.2.4.

The NSG as lessee

Assets held under finance leases are initially recognised as assets of the entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Assets held under finance leases are depreciated over the estimated useful life of the asset on the same basis as owned assets or, where shorter, lease term of the relevant lease.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately against surplus or deficit. Contingent rentals arising under finance leases are recognised as an expense in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In terms of Treasury Regulation 13.2.5 the Accounting Officer of the entity may not enter into finance lease transactions, except for agreements concluded under Public-Private-Partnerships as contemplated in Treasury Regulation 16 and Practice Note 5 of 2007/08: "Finance Lease Transactions" issued by the Office of the Accountant-General.

ACCOUNTING POLICIES

for the year ended 31 March 2025

1.20 Leases (continued)

The controlling department - NSG Vote 7 - enters into both finance and operating lease agreements on behalf of the entity as part of its administration function. The proportionate monthly lease payments relating to the entity are recovered by the controlling department in terms of the expenditure allocation policy. These lease payments are recognised as an expense in the periods in which they are incurred.

1.21 Accruals

Accruals represent goods or services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but payment has not been made.

Accruals are recognised in the statement of financial position as a liability under "Trade and other payables" and as expenditure in the statement of financial performance in the period to which they relate.

1.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities are not recognised, but only disclosed in the notes to the annual financial statements.

1.23 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are disclosed in the notes to the annual financial statements.

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are disclosed in the notes to the annual financial statements where the entity enters into lease agreements.

1.24 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle an obligation are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

The movement related to any provision during the reporting period is recognised in surplus or deficit.

1.25 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the period it was incurred.

ACCOUNTING POLICIES

for the year ended 31 March 2025

1.25 Fruitless and wasteful expenditure (continued)

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.26 Irregular expenditure

Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation, including: - the PFMA; Irregular Expenditure Framework; National Treasury regulations, National treasury instruction notes and the National school of government's Supply Chain Management Policy (only upon contravention of legislative prescripts is irregular expenditure recognised against the respective class of expense in the period in which it was incurred).

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine, in which case reasons therefore are provided in thenote. Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written off as irrecoverable.

1.27 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

1.27 Related parties (continued)

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.28 Tax

The entity is exempt from paying income tax in terms of section 10(1)(a) of The Income Tax Act, Act 58 of 1962 as amended. The entity is exempt from paying VAT (Value Added Tax) in terms of the Value-Added Tax Act, Act 89 of 1991 as amended.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

2. Revenue from exchange transactions

Courses Rendered	101,319	141,819
Interest received (trading)	1,212	952
Interest received - investments	17,111	16,733
Other revenue	2,634	2,146
	122,276	**161,650**

3. Revenue from non-exchange transactions

Funds from the Department (NSG)	107,944	107,802
Donations	514	433
	108,458	**108,235**

The NSG has received donations in kind from Nedbank through utilisation of a venue for training purposes in the 2024-25 and 2023-24 financial years, as a result of an existing Memorandum of Agreement between the two parties. The donations are presented at fair value, which is determined by the donor through their internal costing.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

4. Employee related information

4.1 Employee related costs

Basic Salary	77,391	73,342
Other non-pensionable allowances	20,801	19,129
Long-service awards	98	87
Overtime pay	34	16
Pension	10,589	9,684
Medical	3,847	3,595
Official unions and associates	17	17
Leave pay provision expense	(408)	(229)
	112,369	**105,641**

4.2 Number of employees

Employees		
Permanent	137	136

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

5. Operating expenses

	2025 R'000	2024 R'000
Consulting and professional fees	41,285	37,118
Consumables	1,611	1,292
IT expenses	21,883	21,202
Marketing	681	351
Communication costs.	926	841
Postage and courier	557	697
Printing and stationery	2,427	4,688
Property payments	7,541	8,146
Venue and facilities	36,808	24,926
Disposal of intangible assets	-	1,560
Movement in the provision for debtors impairment	(3,429)	(7,875)
Catering departmental activities	261	159
Equipment rental payments	548	563
Travel and subsistence	11,103	8,745
Property rental payments	24,854	23,214
Armortisation of Intangible assets	4,479	225
Bad debts written off	4,155	9,379
General administrative expenses	1,567	556
	157,257	**135,787**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025	2024
	R'000	R'000

6. Cash and cash equivalents

Cash and cash equivalents consist of:		
Bank balances	246,063	253,868
	246,063	**253,868**

7. Trade and other receivables

2025	Under one year	One to two years	Over two years	Total
	R '000	R '000	R '000	R '000
Trade debtors	4,663	714	654	6,031
Allowance for impairment provision	-	-	(654)	(654)
Other receivables	-	-	-	-
	4,663	**714**	**-**	**5,377**

2024	Under one year	One to two years	Over two years	Total
	R '000	R '000	R '000	R '000
Trade debtors	8,759	790	4,084	13,633
Allowance for impairment provision	-	-	(4,084)	(4,084)
Other receivables	-	-	-	-
	8,759	**790**	**-**	**9,549**

7. Trade and other receivables (continued)

Trade receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets. The fair value of trade and other receivables are disclosed below.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

All invoices issued to customers must be settled within 30 days from date of receipt of the invoice as per Treasury Regulation

8.2.3. However, due to delayed payment from customers the entity is assumed to provide extended credit terms of 27 days (2023/24: 29 days) to customers affecting the fair value of debt raised. Implicit interest is charged in accordance with Section 80 of the PFMA at the rates specified. As at the reporting date the rates specified were 11% (2023/24: 11.75%) per annum on the outstanding balance.

Consequently, the entity does not assess the credit quality of customers and does not set any credit limits per customer.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period, but against which the entity has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

A review of the payment history of NSG's customers, based on transaction data captured in the debtor administration system, revealed an average collection period of 27 days (2023/24: 29 days) from course date. Customers are expected to settle invoices within 60 days from date of issue of the invoice.

The entity does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the entity to the counterparty.

7. Trade and other receivables (continued)

Trade receivables past due, but not impaired - 31 March 2025	61 to 365 days	366 to 730 days	Total
	R '000	R '000	R '000
Nominal Value	10,384	1,892	12,276
Impairment Adjustment	-	-	-
	10,384	**1,892**	**12,276**

Trade receivables past due, but not impaired - 31 March 2024	61 to 365 days	366 to 730 days	Total
	R '000	R '000	R '000
Nominal Value	(19,755)	3,210	(16,545)

Fair value of trade receivables	2025	2024
	R'000	R'000
Balance at cost	6,685	17,717
Less: impairment	(654)	(4,084)
	6,031	**13,633**

The impairment of trade receivables is based on cash flows discounted using the rate prescribed by the Minister of Finance in terms of section 80 of the PFMA of 11% (2023/24: 11.75%).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

7. Trade and other receivables (continued)

Movement in the impairment provision		
Opening balance	4,084	11,959
Provision for impairment	726	1,504
Amounts Written off during the year	(4,155)	(9,379)
	655	**4,084**

8. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
MyNSG	7,255	-	7,255	4,648	-	4,648
Licenses and franchises	494	(103)	391	-	-	-
Training Management System	2,334	(2,258)	76	2,334	(1,475)	859
Library System	134	(134)	-	134	(129)	5
Training Courses	37,693	(4,663)	33,030	35,504	(1,075)	34,429
Total	**47,910**	**(7,158)**	**40,752**	**42,620**	**(2,679)**	**39,941**

8. Intangible assets (continued)

Reconciliation of intangible assets - 2025	Opening balance	Additions	Amortisation	Total
MyNSG	4,648	2,607	-	7,255
Licenses and franchises	-	494	(103)	391
Training Management System	859	-	(783)	76
Library System	5	-	(5)	-
Training Courses	34,429	2,189	(3,588)	33,030
	39,941	**5,290**	**(4,479)**	**40,752**

Reconciliation of intangible assets - 2024	Opening balance	Additions	Disposals	Amortisation	Total
MyNSG	-	4,648	-	-	4,648
Training Management System	1,065	-	-	(206)	859
Library System	23	-	-	(18)	5
Training Courses	34,977	1,012	(1,560)	-	34,429
	36,065	**5,660**	**(1,560)**	**(224)**	**39,941**

During the under reporting, the was a change in the usage of The Training Management System (TMS), due to the implementation of MyNSG. Going forward TMS will be used as a historical data storage system. This resulted in the change in estimate of useful life of the system from 7 to 10 years. The change was done prospectively and will have minimal financial impact on the current and future reporting periods.

Library System was fully amortised during the current financial year. There were other licenses procured in the current financial year.

The amortisation expense is recognised are included in the line item 'amortisation and impairment' in the statement of financial performance.

The following useful lives are used in the calculation of amortisation:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

8. Intangible assets (continued)

	Useful life 2025	Useful life 2024
Capitalised training course development	Indefinite	Indefinite
Licenses	24 Months	84 Months
Training management system	10 Years	7 Years

9. Payables from exchange transactions

2025	30 days	30+ days	Total
	R '000	R '000	R '000
Trade creditors	5,889	-	5,889
Amounts due to customers: trade debtors	-	117,524	117,524
Amount owed to NSG Vote 7	1,267	-	1,267
	7,156	**117,524**	**124,679**

2024	30 days	30+ days	Total
	R '000	R '000	R '000
Trade creditors	3,226	-	3,226
Amounts due to customers: trade debtors	-	92,666	92,666
Amount owed to NSG Vote 7	541	-	541
	3,767	**92,666**	**96,435**

The amounts due to customers is made up by the prepayments received for training that will be delivered in the near future.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

10. Payables from non-exchange transaction

National Treasury advance for course development	313	437
	313	**437**

The amount for payables from Non-Exchange was redirected to fund an e-learning NSG course. During 2022-23 financial year R514 000 was recognised and the remaining R744 000 has been recognised as part of revenue in the current financial year.

11. Employment Benefits

Leave entitlement		
Carrying amount beginning of period	6,869	7,098
Current Service cost	11,475	11,077
Less benefit utilised	(11,882)	(11,306)
Total Leave entitlement	**6,462**	**6,869**
13th cheque		
Carrying amount beginning of period	2,712	2,277
Current Service cost	2,702	2,712
Less benefit utilised	(2,712)	(2,277)
Total 13th cheque	**2,702**	**2,712**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

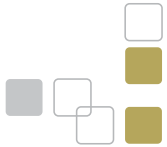
	2025 R'000	2024 R'000

11. Employment Benefits (continued)

Long Service Awards		
Carrying amount beginning of period	87	10
Current Service cost	109	87
Less benefit utilised	(87)	(10)
Total Long Service Awards	**109**	**87**
Total Employment Benefits	**9,273**	**9,668**

12. Cash (used in) generated from operations

(Deficit) surplus	(38,892)	28,457
Adjustments for:		
Disposal of intangible assets	-	1,560
Allowances for doubtful debts	(3,429)	(7,875)
Interest income	(1,212)	(952)
Impairment of assets	4,479	225
Bad debts	4,155	9,379
Changes in estimates of employee benefits	396	(283)
Non-cash donations and other in-kind benefits	(514)	(433)
Changes in working capital:		
Receivables from exchange transactions	4,173	411
Payables from exchange transactions	28,328	(6,040)
	(2,516)	**24,449**



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000

13. Budget information

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 01 April 2024 to 31 March 2025.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

Reconciliation between budget deficit and statement of financial performance:	
Course fee's above the budgeted amount	(576)
Non exchange donations	514
Interest trade receivables	1,212
Favourable interest on investment	13,220
Capital expenditure	(5,290)
Savings on compensation of employees	3,462
Over-expenditure on operational expenditure	(59,358)
Other Revenue	2,634
Deficit for the year	**(44,182)**

Reason for budget deviation in revenue

The revenue performance for the financial year ending 31 March 2025 reflects an unfavourable variance of R44 million due to increased costs of conducting business and non increment of training fees.

Reason for budget deviation in expenditure.

Expenditure is above budget due to high volume of training related activities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

14. Financial instruments

Capital risk management

The entity does not have share capital that is publicly tradable on the capital markets. Upon closure of the entity all assets and liabilities will be transferred to the controlling department as required by Treasury Regulation 19.9.

The objectives when managing capital (retained earnings) are to safeguard the entity's ability to continue as a going concern on the cost-recovery basis and to execute government priorities through service delivery. The annual financial statements of the entity have been prepared on the going concern basis.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in the accounting policies.

	2025 R'000	2024 R'000
Financial assets		
Amortised cost		
Cash and cash equivalents (Note 6)	246,063	253,868
Trade and other receivables (Note 7)	5,377	9,549
	251,440	**263,417**
Financial liabilities		
Amortised cost		
Trade and other payables (Note 9)	124,680	96,433
	124,680	**96,433**

Financial risk management objectives

The entity has limited exposure to financial risks due to its limited ownership (ownership is limited to the net asset holders of the controlling department - National School of Government Vote 7) and the funding of any cash deficit by the controlling department. The entity has no exposure to foreign currency risk, cash flow interest rate risk and equity price risk.

Credit risk management

Credit risk comprises the risk of financial loss to the entity if a counter party to a financial instrument fails to meet its contractual obligations.

	2025 R'000	2024 R'000

14. Financial instruments (continued)

The entity mostly transacts with entities in the national, provincial, and local spheres of government and function within the pool of funds managed by National Treasury. The credit quality of government entities is therefore not assessed as these entities are considered creditworthy.

The entity makes use of only National Treasury approved banks representing high credit quality financial institutions.

The entity does not hold any collateral or other credit enhancements to cover credit risk. However, any cash deficit caused by government entities defaulting on their contractual obligations is funded by the controlling department through augmentation as mentioned in Treasury Regulation 19.7.3.

The carrying amount of trade and other receivables recorded in the financial statements (refer to note 8), which is net of impairment losses, represents the entity's maximum exposure to credit risk without taking into account any funding by the controlling department in accordance with TR 19.7.

Receivables from exchange transactions (Note 6)	6,031	13,633
Allowance for doubtful debts (Note 7)	(654)	(4,084)
	5,377	**9,549**

There has been no significant change during the financial year, or since the end of the financial year, to the entity's exposure to credit risk, the approach of measurement or the objectives, policies, and processes for managing this risk.

Liquidity risk

Liquidity risk comprises the risk that the entity will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Accounting Officer. Although no liquidity risk management framework exists, the entity manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity Analysis	At 31 March 2025
Cash and cash equivalents	246,063
Receivables from exchange transactions	5,377
Current Assets	**251,440**
Payable from exchange transaction	124,680
Current Liabilities	**124,680**
Excess liquidity	**126,760**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

14. Financial instruments (continued)

Maturity analysis

The entity's remaining contractual maturity for all its financial liabilities are between one and three months.

Impairment of financial instruments

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Financial assets at amortised cost		
- Trade and other receivables	5,377	9,549
Financial liabilities at amortised cost		
- Trade and other payables	124,680	96,433

The fair value of financial assets and liabilities measured at amortised cost is determined by discounting the future cash flows at the current interest rate prescribed by the Minister of Finance in terms of section 80 of the PFMA.

15. Related parties

The entity is controlled through the Department of National School of Government at National Government level.

As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management and executive committee members are considered management.

Related party transactions and outstanding balances		
Revenue from non-exchange transactions – NSG Vote Account	107,944	107,802
Outstanding balance- Claims receivable – NSG Vote Account	-	-
Outstanding balance- Claims payable - NSG Vote Account	1,267	541

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025	2024
	R'000	R'000

15. Related parties (continued)

The department of the National School of Government paid some operating expenditure on behalf of the trading entity which the department then claims from the trading entity..

Other Government Departments		
Outstanding balances- Trade and other Payables	11,432	11,148
Outstanding balances- Trade and other receivables	7,597	24,093

The trading account had normal business transactions with other National Departments. The outstanding balances shown above are normal business transactions.

Key Management Personnel remuneration

2025

Name	Position	Basic salary	Other short- term employee benefits	Post- employment benefits	Total
		R '000	R '000	R '000	R '000
Dr B Maja	Deputy Director general	1,177	669	153	1,999
Ms PP Mkwanazi	Deputy Director general	1,045	561	136	1,742
		2,222	**1,230**	**289**	**3,741**

2024

Name	Position	Basic salary	Other short- term employee benefits	Post- employment benefits	Total
		R '000	R '000	R '000	R '000
Dr B Maja	Deputy Director general	1,123	603	146	1,872
Ms PP Mkwanazi	Deputy Director general	998	536	130	1,664
		2,121	**1,139**	**276**	**3,536**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

15. Related parties (continued)

The key management personnel of the entity include the following personnel appointed in the controlling department – National School of Government Vote 7:

Official	Position
Prof B Ngcaweni	Principal
Mr KS Hlalethwa	Chief Financial Officer
Dr L Kaunda	Deputy Director-General

Key management personnel are appointed in terms of the Public Service Act, Act 103 of 1994 as amended. The remuneration of the key management personnel is determined in accordance with the Senior Management Service remuneration scales issued by the Department of Public Service and Administration on an annual basis. Performance awards are approved by the Accounting Officer having regard to the performance of the individuals.

16. Commitments

Leases Commitments

All lease agreements are entered into by the controlling department - National School of Government Vote 7. Therefore, all lease commitments are presented and disclosed in the financial statements of National School of Government Vote 7. The lease payments are recovered from the National School of Government TTA in accordance with the expenditure allocation policy.

The controlling department, National School of Government Vote 7, leases office equipment used by the entity for a period of three years to 31 October 2025. The average lease payment is R 45,666 per month (2023-24: R 79 135) with no contingent lease payments. The lease agreements do not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreements may be extended in accordance with clause 4 of the Master transversal agreement.

The controlling department also leases office accommodation used by the entity. The renewal period is currently on a month-to-month basis. The average lease payment is R1,998,866 per month (2023-24: R 1,665,333) escalating at 6.5% per year on 31 October. The agreement contains no contingent lease payments. The agreement does not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreement imposes no restrictions.

Expenditure Commitments		
Capital Commitments	18,876	26,206
Operational Commitments	3,814	6,642
Total	**22,690**	**32,848**

Commitments relate to the new training management system, other capital goods that have been procured and operational goods and services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

17. Irregular expenditure and Fruitless expenditure

Description		
Irregular Expenditure	176	83
Fruitless and wasteful expenditure	17	103
	193	**186**

No amount disclosed in the irregular and fruitless expenditure resulted in any material losses through criminal conduct and no criminal or disciplinary steps were taken as a result at the reporting date.

18. Prior period errors

18.1

During the 2024/25 financial year the entity's management identified an error in the recognition of revenue for MSCOA for Municipalities stated in the 2023-24 and 2022-23 financial year's. The error resulted in the overstatement of Current Liabilities and understatement of Revenue in 2022-23. Understatement of Current Liabilities and overstatement of Revenue in 2023-24. The result of the correction is as follows:

Increase in opening balance - accumulated surplus	(91)
Increaase in Current Liabilities	(437)
Decrease in revenue	528

18.2

During the 2024/25 financial year the entity's management identified Bad Debts recovered in 2023-24 financial year that were omitted as revenue. The error resulted in the overstatement of bad debts and understatement of revenue. The result of the correction is as follows:

Decrease in expenses	32
Increase in revenue	(32)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000

18. Prior period errors (continued)

18.3

During the 2024/25 financial year the entity's management identified invoices that were erroneously recognised as revenue in the 2022/23 financial year. The error resulted in the understatement of payables, understatement of receivables and overstatement of revenue. The result of the correction is as follows:

Increase in payables	(162)
Increase in receivables	(339)
Decrease in opening balance - accumulated surplus	502

18.4

During the 2024/25 financial year the entity's management identified invoices that were erroneously recognised as revenue in the 2023/24 financial year. The error resulted in the understatement of payables, understatement of receivables and overstatement of revenue. The result of the correction is as follows:

Increase in payables	(756)
Increase in receivables	(221)
Decrease in revenue	977

18.5

During the 2024/25 financial year the entity's management identified errors in the opening balances of debtors adjustments from 2013-14 to 2020-21 financial years. The error resulted in the understatement of receivables, and understatement of reserves. The result of the correction is as follows:

Decrease in payables	66
Increase in opening balance- Accumulated surpluses	(66)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 R'000	2024 R'000

18. Prior period errors (continued)

18.6

During the 2024/25 financial year the entity's management identified invoices that were not recognised as revenue in the 2023/24 financial year. The error resulted in the overstatement of payables and understatement of revenue. The result of the correction is as follows::

Decrease in payables	118
Increase in Revenue	(118)

18.7

During the 2023/24 financial year the entity's management identified an amount of debtors with credit balances which were incorrectly recorded against the reserves from 2010-11 to 2014-15 financial years. The error resulted in the understatement of receivables, and understatement of reserves. The result of the correction is as follows:

Increase in receivables	3,170
Increase in opening balances-Accumulated surpluses	(3,170)

19. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is reinforced by the allocation already included in the MTEF allocation from National Treasury for the trading entity.

20. Events after the reporting date

The entity is not aware of any event subsequent to year end which might require adjustment of the stated figures.

21. Approval of the Financial Statements

The financial statements were approved by the Accounting Officer and authorised for issue.

Notes

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