the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

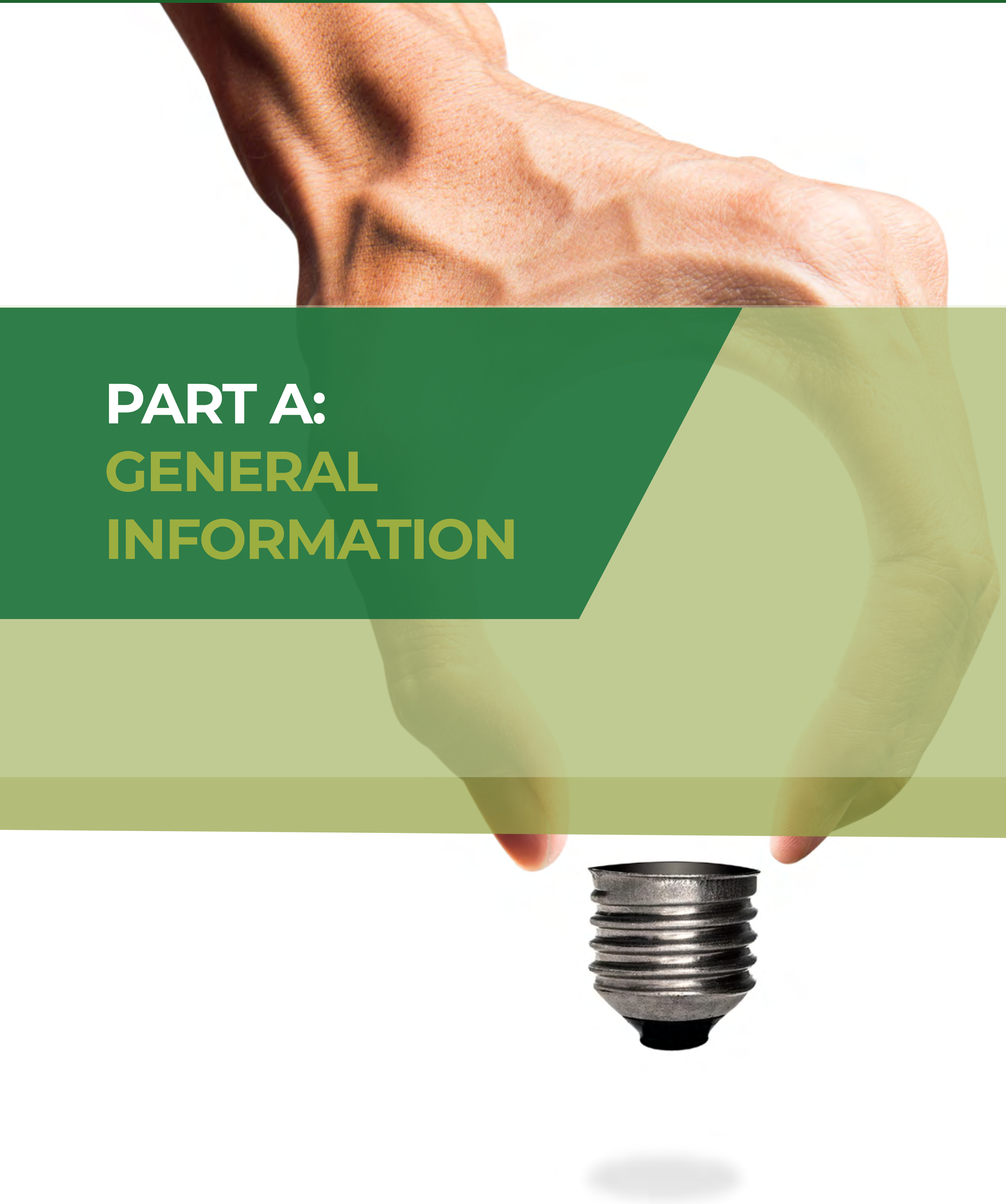
ANNUAL REPORT 2023/2024

| YOUR BENEFITS our responsibility |

Your Benefits
Our Responsibility

ANNUAL REPORT

CONTENT



PART A: GENERAL INFORMATION

CONTENT

GENERAL INFORMATION

PHYSICAL ADDRESS:	34 Hamilton Street Arcadia Pretoria
POSTAL ADDRESS:	Private Bag X63 Pretoria 0083
TELEPHONE NUMBER:	012 319 1911
FAX NUMBER:	012 326 2507
EMAIL ADDRESS:	enquiries@gpaa.gov.za
WEBSITE ADDRESS:	www.gpaa.gov.za

LIST OF ABBREVIATIONS / ACRONYMS

AC:	Audit Committee
AGSA:	Auditor-General South Africa
AIPF:	Associated Institutions Pension Fund
APP:	Annual Performance Plan
BAC:	Bid Adjudication Committee
B-BBEE:	Broad-based Black Economic Empowerment
BEC:	Bid Evaluation Committee
BSC:	Bid Specification Committee
CAE:	Chief Audit Executive
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CLO:	Client Liaison Officer
CRM:	Client Relationship Management
DPSA:	Department of Public Service and Administration
EHW:	Employee Health and Wellness
EXCO:	Executive Committee
GEP:	Government Employees Pension
GEPF:	Government Employees Pension Fund
GPAA:	Government Pensions Administration Agency
GRAP:	Generally Recognised Accounting Practice
HIV:	Human Immunodeficiency Virus
HR:	Human Resource
IA:	Internal Audit
ICT:	Information Communication Technology
IOD:	Injury on Duty
IS:	Information Security
KZN:	Kwa-Zulu Natal
LAN:	Local Area Network
LDS:	LAN & Desktop Support
M&E:	Monitoring and Evaluation
MIS:	Management Information System
MMS:	Middle Management Services

LIST OF ABBREVIATIONS / ACRONYMS

MTSF:	Medium-Term Strategic Framework
NDP:	National Development Plan
NICD:	National Institute for Communicable Diseases
NT:	National Treasury
OHSA:	Occupational Health and Safety Act
PAA:	Public Audit Act
PCs:	Portfolio Committees
PCM:	Pension Case Management
PERSAL:	Personal and Salary System
PFMA:	Public Finance Management Act
PMO:	Project Management Office
PPE:	Personal Protective Equipment
PPR:	Preferential Procurement Regulations
PQC:	Price Quotation Committee
PSC:	Public Service Commission
PSCBC:	Public Service Coordinating Bargaining Council
PSR:	Public Service Regulations
RFQ:	Request for Quotation
RMC:	Risk Management Committee
SABC:	South African Broadcasting Corporation
SAPS:	South African Police Service
SCM:	Supply Chain Management
SHERQ:	Safety, Health, Environment, Risk and Quality
SITA:	State Information Technology Agency
SLA:	Service Level Agreement
SMS:	Senior Management Service

LIST OF ABBREVIATIONS / ACRONYMS

SMS:	Short Message Service
SOP:	Standard Operating Procedure
SP:	Strategic Plan
SPA:	Special Pensions Act
SSA:	State Security Agency
STI:	Sexually Transmitted Infections
TB:	Tuberculosis
TEPF:	Temporary Employees Pension Fund
VO:	Variance Order
WAN:	Wide Area Network
WASP:	Wireless Application Service Provider

FOREWORD BY THE MINISTER OF FINANCE

Enoch Godongwana
MINISTER OF FINANCE

It is my honour to present the Annual Report of the Government Pensions Administration Agency (GPAA) for the 2023/2024 financial year. This is the last Annual Report of the 6th administration, which also marks 30 years of democracy. The GPAA is a critical contributor to the National Development Plan (NDP), which states, "To meet our varied needs, we must reach out across communities to strengthen our resolve to live with honesty".

The GPAA is a key contributor to South Africa consistently delivering on the NDP mandate. This is done by ensuring that pension administration services reach clients in both rural and urban areas through the education and outreach programmes and the footprint that have been expanded through regional and satellite offices, co-location and mobile offices, and education campaigns. The GPAA has recently completed a process to increase capacity in the regions and I am proud to announce that Funeral Benefit is now a full competency of regional offices. This decision will help the entity to pay Funeral Benefit to bereaved families in the shortest time possible.

The GPAA remains committed to the mandate of ensuring that the Government Employees Pension Fund (GEPF) and National Treasury's Programme 7 funds are administered efficiently and effectively. During the year under review, we administered the Military Veterans related pensions that honour and recognise those who fought for the freedom of our country. This advances the GPAA's objective of becoming the preferred benefits administrator for the entire public service in South Africa. I am pleased to announce that the GPAA is ready and well-equipped to handle the potential high volumes of claims relating to the Two-Pot benefit when it becomes available to qualifying public servants in September 2024.

Unclaimed Benefits remain a concern and a major challenge for the GPAA. The strategy to reduce the Unclaimed Benefits account continues to be implemented and it is beginning to bear fruit. A national awareness campaign was rolled out to encourage all stakeholders, including community-based organisations and government entities, to work with the GPAA to ensure that the Unclaimed Benefits account is reduced. Media campaigns and outreach programmes are used to trace rightful beneficiaries. These efforts have helped the entity to pay R160 million to more than 8000 beneficiaries.

I wish to thank the GPAA CEO, Ms Kedibone Madiehe and all GPAA employees for a sterling job, dedication and commitment to serve our people with dignity.

ENOCH GODONGWANA
MINISTER OF FINANCE
31 August 2024

ACCOUNTING OFFICER'S NOTE

Kedibone Olga Madiehe

CHIEF EXECUTIVE OFFICER

It is my pleasure to present the Annual Report of the Government Pensions Administration Agency (GPAA) for the 2023/2024 financial year. As an organisation, we have been successful in terms of operations and remain firmly focused on delivering on our mandate of administering pension benefits on behalf of the Government Employees Pension Fund (GEPF) and National Treasury's (NT) Programme 7.

This mandate makes the GPAA a critical role player in the livelihoods of current and former public service employees. Key to the realisation of our mandate is ensuring efficient and effective admission of new members, collection of contributions and timeous payment of benefits when they become due.

Our vision is to have a customer and client base that is satisfied, served, valued, dignified, cared for and empowered. With this vision in mind, we have continued with the modernisation programme, which is the GPAA's business improvement vehicle for the optimisation of business processes, with the aim of improving efficiency of pension administration.

During the fourth quarter of the year under review, the GPAA experienced a cyber-security attack. This necessitated shutting down all systems for over a month as a safety precaution. Measures were put in place to address the situation and to strengthen the systems to prevent any re-occurrence. Despite this challenge, we managed to pay the monthly pensions as normal, and this mitigated the impact of the attack on pensioners and beneficiaries.

Due to our resilience as an organisation, we managed to achieve 72% (18 out of 25) of the targets set out in the Annual Performance Plan (APP) for the year under review. This is an improvement of 4% from the year prior. The performance highlights include payment of 99.99% of NT benefits within 20 working days; and 94.05% of GEPF benefits paid within 45 working days. We admitted 100% of newly appointed public service employees to the GEPF within 14 working days, and 99.98% of the NT funds' members within 14 working days. We are pleased to report that R90.8 billion was collected in contributions, and R140 billion was paid out in respect of the 67 026 benefits that were paid.

In our efforts to reach out and be accessible to all our clients, the GPAA ensures a large footprint of 16 Client Service Centres, three co-locations throughout the country, as well as a Call Centre. We also have 11 mobile offices (fully equipped buses) that are used to reach clients in far-flung areas. Out of all the clients who visited our offices, 99.79% were provided with the required service. The clients who received our services through face-to-face interaction or the Call-Centre rated the GPAA at an average of 94.50% for client service levels on the services received, outreach programmes and media campaigns.

During the period under review, the GPAA continued to successfully utilise the automated interfaces with the South African Revenue Services (SARS), the Department of Home Affairs (DoHA) and NT SafetyWeb. The interfaces enable efficient verification of benefits for members and pensioners and enable timeous processing of the tax certificates required to process benefits. The automated life verification system operated by the DoHA confirms the life status of members and automates the renewal of monthly pension payments on an annual basis. The interface with NT allows for the verification of clients' bank details to ensure that benefits are paid to the right people.

The GPAA employs governance measures aimed at ensuring that we comply with the legislative prescripts that regulate our work. During the year under review, we continued to strengthen internal controls to ensure that we account for every rand spent and contribute to the improvement of service delivery to our members, pensioners and beneficiaries. We have rigorously attended to concerns raised by the Auditor-General, and we provided progress reports to the Audit Committee and the Risk Management Committee on a quarterly basis. The aim was to remedy and, as far as possible, avoid a repeat of matters raised in the past.

We have put systems in place to ensure compliance with Supply Chain Management (SCM) legislation. All SCM practitioners are required to complete financial disclosure process through the government an e-Disclosure system. During the year under review, there were no unsolicited bids concluded, however the management team recognises the need to continually strengthen internal controls.

I would like to extend a word of gratitude and congratulations to the Minister of Finance, Mr Enoch Godongwana, and the Deputy Minister, Dr David Masondo, on their reappointment in the Finance Ministry. I also welcome the Deputy Minister, Mr Ashor Sarupen, who joined the Ministry of Finance. I appreciate and continue to rely on their political oversight, support and the leadership they provide to the GPAA. Special gratitude also goes to GPAA's Executive Committee, Management Committee and the entire staff for their support and continued dedication to providing quality services to our clients and stakeholders, particularly during the period when we were dealing with cyber-attack issues. Finally, let me thank our oversight structures for their support, guidance and availability, namely: the Audit Committee, the Risk Management Committee and the Advisory Board.

Kedibone Olga Madiehe
GPAA Chief Executive Officer
31 August 2024

ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of responsibility and confirmation of the accuracy of the Annual Report for the year ended 31 March 2024.

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

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the Annual Report guidelines as issued by the National Treasury.
- The Annual Financial Statements have been prepared in accordance with the GRAP standards 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 the information.

The Accounting Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance with regard to the integrity and reliability of the performance information, the human resource 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 resource information and the financial affairs of the organisation for the financial year ended 31 March 2024.

Your faithfully,

____

Kedibone Olga Madiehe
CHIEF EXECUTIVE OFFICER
Government Pensions Administration Agency (GPAA)
31 August 2024

1. STRATEGIC OVERVIEW

1.1 Introduction

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

1.2 Vision, Mission and Values

The vision, mission and values of the GPAA are as follows:

VISION

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

MISSION

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

Values

Transparency

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

Respect

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

Integrity

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

Courtesy

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

Service excellence

We commit to giving our clients quality service.

Passion

We serve our clients with passion and understanding.

2 LEGISLATIVE AND OTHER MANDATES

2.1 Government mandate

The GPAA was established in March 2010 as a component of National Treasury. The establishment was gazetted in terms of Section 7A (4) of the Public Service Act of 1994 (Proclamation No. 103 of 1994) and its finances are regulated by the Public Finance Management Act (PFMA). The mandate of the GPAA is to administer pension funds for the GEPF and National Treasury's Programme 7. As such, the funding for the GPAA to deliver on its mandate is derived from both the GEPF and National Treasury. The mandate positions the GPAA as a strategic agency in terms of government's commitment to ensuring that public servants are financially secure when they retire.

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

The GPAA's mandate is also derived from the National Development Plan (NDP), which serves as a blueprint for tackling South Africa's challenges of poverty and inequality. The NDP sheds light on the capacity and developmental commitments of the state. It is implemented through the Medium-Term Strategic Framework (MTSF), which is cascaded to government institutions through strategic plans. As a government institution, the GPAA has developed a five-year Strategic Plan (SP) that is aligned to the MTSF of 2019-2024. By implementing its Strategic Plan, the organisation contributed to the delivery of the electoral mandate of the sixth administration of government.

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

2.2 Legislative mandates

As per the legislation and administrative arrangements, the GPAA reports to the Minister of Finance as its Executive Authority. The financial affairs of the organisation are governed in terms of the PFMA, while its human resource falls under the ambit of the Public Service Act.

The GPAA provides administration services to the GEPF and National Treasury (Programme7) - an arrangement that is regulated by Service Level Agreements (SLAs). The GPAA administers government employee pensions and other benefits in terms of the Government Employees Pension (GEP) Law of 1996, on behalf of the GEPF and its Board of Trustees.

Furthermore, the GPAA administers the Temporary Employees Pension Fund (TEPF) in terms of the Temporary Employees Pension Fund Act (1979), and the Associated Institutions Pension Fund (AIPF) in terms of the Associated Institutions Pension Fund Act (1963). The organisation also administers: the Post-Retirement Medical subsidies, as provided for and regulated by the Public Services Co-ordinating Bargaining Council (PSCBC); the Military Pensions, in terms of the Military Pensions Act (1976); the IOD payments, in terms of the Compensation for Occupational Injuries and the Diseases Act (1993); and the Special Pensions, in terms of the Special Pensions Act (1996).

Figure 1. Organisational Structure

3. THE STRUCTURE FOR MANAGING THE GPAA'S STRATEGIC AND ANNUAL PERFORMANCE PLANS

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

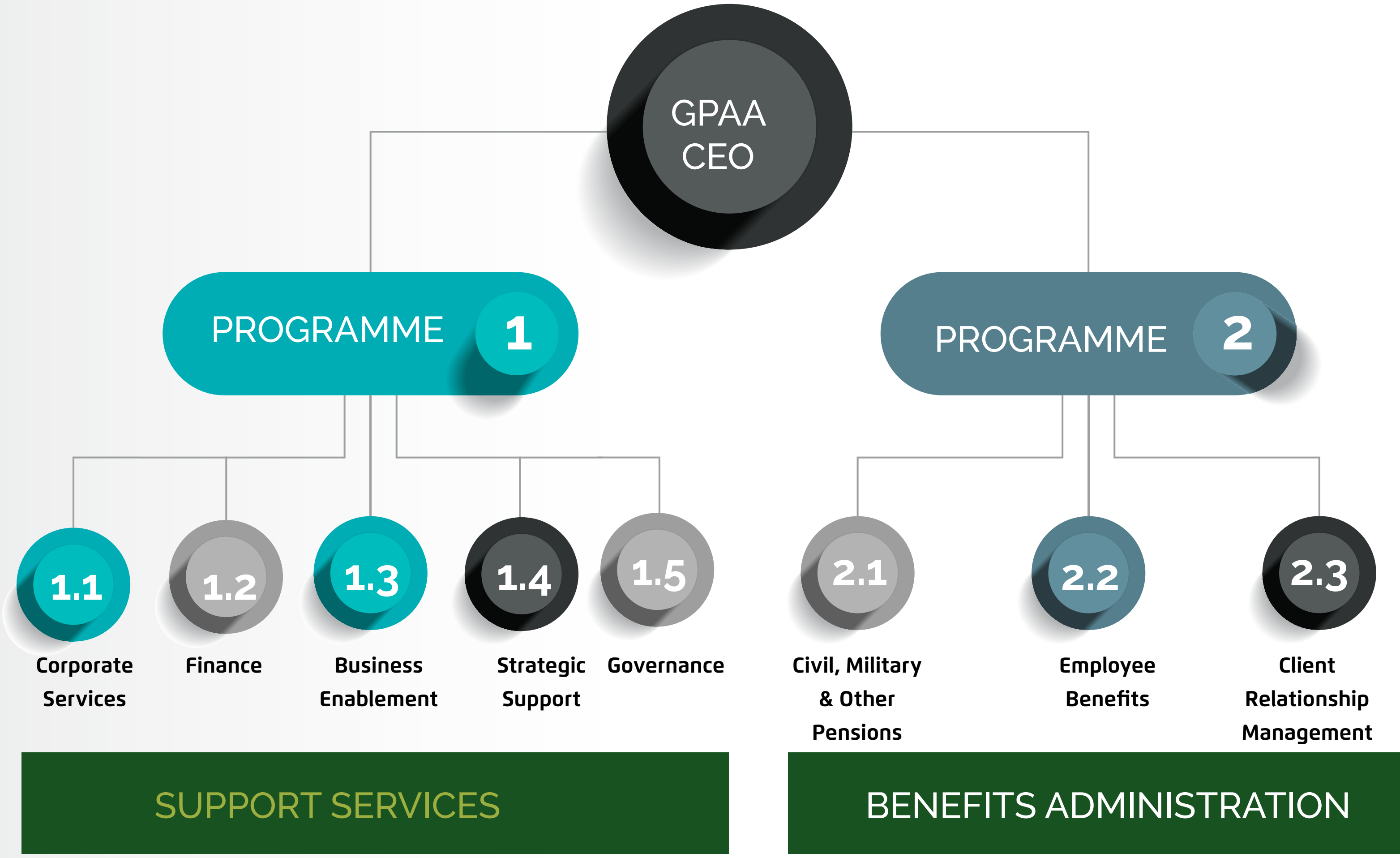


Figure 1.

Kedibone Olga Madiehe
Chief Executive Officer

COO
Vacant

Eric Morudu
Acting Chief Director: Client Relationship Management

Yvonne Mpye
Acting Chief Director: Employee Benefits

Mongezi Mngqibisa
Chief Director: Special, Military and other Pensions

Mmapula Sennelo
Chief Audit Executive

Kgaile Molebatsi
Acting Chief Financial Officer

DDG Corporate Services
Vacant

Lerato Kgoele
Chief Risk Officer

Esti de Witt
Chief Director: Legal Services

Meiring Coetzee
Chief Information Officer

Leon Nieuwoudt
Chief Director: Strategic Support Services

Mervin Kemp
Chief Director: Human Resources

PROGRAMME 1: SUPPORT SERVICES

Programme 1 administers the business and governance affairs of the GPAA and gives rise to the strategic outcomes in support of the core business of Programme 2.

Sub-programme 1.1 : Corporate Services

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

Sub-programme 1.2 : Financial Services

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

Sub-programme 1.3 : Business Enablement

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

Sub-programme 1.4 : Strategic Support

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

Sub-programme 1.5 : Governance

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

PROGRAMME 2: BENEFITS ADMINISTRATION

Programme 2 consists of three sub-programmes that administer a range of benefits and provide the client relationship management (CRM) service

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

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

The AIPF and TEPF administered by the GPAA for National Treasury's Programme 7, are to be amalgamated into the GEPF. Work is underway on the amalgamation of the TEPF and the GEPF, as provided for in the current legislation. A similar process for the amalgamation of the AIPF with the GEPF is also envisaged, but amendments must be made to current legislation in order for this process to proceed.

Sub-programme 2.2 : Employee Benefits (GEPF)

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

Sub-programme 2.3 : Client Relationship Management (CRM)

CRM manages relationships with all stakeholders, including clients, third parties and employer departments, by providing high quality and responsive client services based on the principles of Batho Pele. The service channel operations (Call Centre, Mobile Offices and Walk-in Centres) ensure effective support of the interface between the GPAA and its client base by accepting, resolving and monitoring all service requests or queries made by clients. CRM also provides employer education and training through its regional and employer liaison units and by means of outreach programmes such as Roadshows, National Department Roadshows, Retiring Member Campaigns and Human Resource (HR) forums. CRM also oversees the document management process to support the GPAA's core functions and business processes.


Return on Investment
Summary
Present Value of Return on Investment (PV ROI)
Net Present Value (NPV) (in Thousands)
Internal Rate of Return (IRR)
Year
Discount Factor
Increased Revenue
Decreased Costs
Annual Benefits
Present Value (Benefits)
Costs

PART B:
PERFORMANCE INFORMATION

CONTENT

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 87-92 of the Annual Report for the report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF THE GPAA's PERFORMANCE

2.1 Service Delivery Environment

The GPAA operates in an environment that is marked by high levels of unemployment, poverty and inequality. In this regard, the clients of the organisation often have the responsibility of providing financially for their immediate and extended families. This makes it even more critical for the GPAA to ensure accurate maintenance of member and pensioner data to ensure timeous payment of benefits when they become due.

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

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

In order to improve efficiency, the GPAA has continued to drive its Modernisation Programme that is aimed at automating its core business processes and expanding its electronic outreach to provide clients and customers with secure access to services. The GEPF and the GPAA continue to encourage members to retire with the GEPF, rather than to resign and transfer their savings out of the Fund. One of the challenges experienced by the Fund is the ever-increasing Unclaimed Benefits account. The organisation has created public awareness regarding Unclaimed Benefits, in an effort to get eligible beneficiaries to come forward and claim the benefits due to them. This problem is not unique to the GPAA, and the organisation continues to explore various mechanisms to deal with the problem of Unclaimed Benefits.

In spite of the service delivery challenges encountered during the year under review, the GPAA achieved more than 70% of the targets set in the Annual Performance Plan (APP).

2.2 Organisational Environment

The GPAA structure was approved. The vacant positions at GPAA (Deputy Director-General: Corporate Services; Deputy Director-General: Employee Benefits; Chief Financial Officer (CFO) were advertised, albeit the position of the CFO was downgraded in accordance with the new approved structure. The necessary recruitment processes were undertaken and the necessary consideration and approval for the nomination of the selection panel is awaited. In order to alleviate the impact of the void created by the vacant executive positions, the organisation has an acting Deputy Director-General: Corporate Services who is ensuring that the applicable functions are performed until the positions are filled.

Approval of the structure has given the GPAA additional capacity to deliver on its mandate. During the financial year under review, 35 permanent employees and 86 contract employees were appointed at operational level. Furthermore, the organisation appointed a total of 91 interns for the purpose of providing young graduates with a professional learning work experience. This is the GPAA's contribution to the skills development and empowerment of young people from across the country, in order to increase their employability.

During the year under review, a number of government institutions experienced a cyber-security attack. Unfortunately, the GPAA was not spared, and an attack was experienced in the fourth quarter of the financial year. This necessitated shutting down all systems for more than a month. However, measures were put in place to address the situation and to strengthen the systems to prevent any re-occurrence. Importantly, monthly pension payments were not affected: these were paid as normal, which cushioned the impact of the attack on pensioners and beneficiaries. The GPAA has enlisted the services of law enforcement agencies, the Stable Security Agency (SSA) and the Information Regulator to investigate and ensure that our strategies are more preventative and will prevent these attacks in the future.

2.3 Key Policy Developments and Legislative Changes

Over the past few years, the government (through National Treasury), began formulating proposals regarding possible retirement reforms. This is an ongoing process, and these reforms will take some time to complete.

During the year under review, Parliament granted approval for implementation of the Two-Pot retirement system. This system will split the retirement savings into two components that will allow pension fund members to access one component of their retirement while still employed, and the other when they retire. This system will be implemented in the coming financial year.

3. PROGRESS TOWARDS THE ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

The vision of the GPAA translates into the following impact statement: Dignified, cared for, empowered and satisfied members, pensioners and beneficiaries. In order to realise this impact, a set of strategic oriented outcomes have been adopted by the organisation. In developing the strategic outcomes, the Minister's contract, the NDP, the GPAA's environment, different analysis methods and the intended outcomes of the Modernisation Programme were taken into consideration. The strategic oriented outcomes are reflected in figure 2.

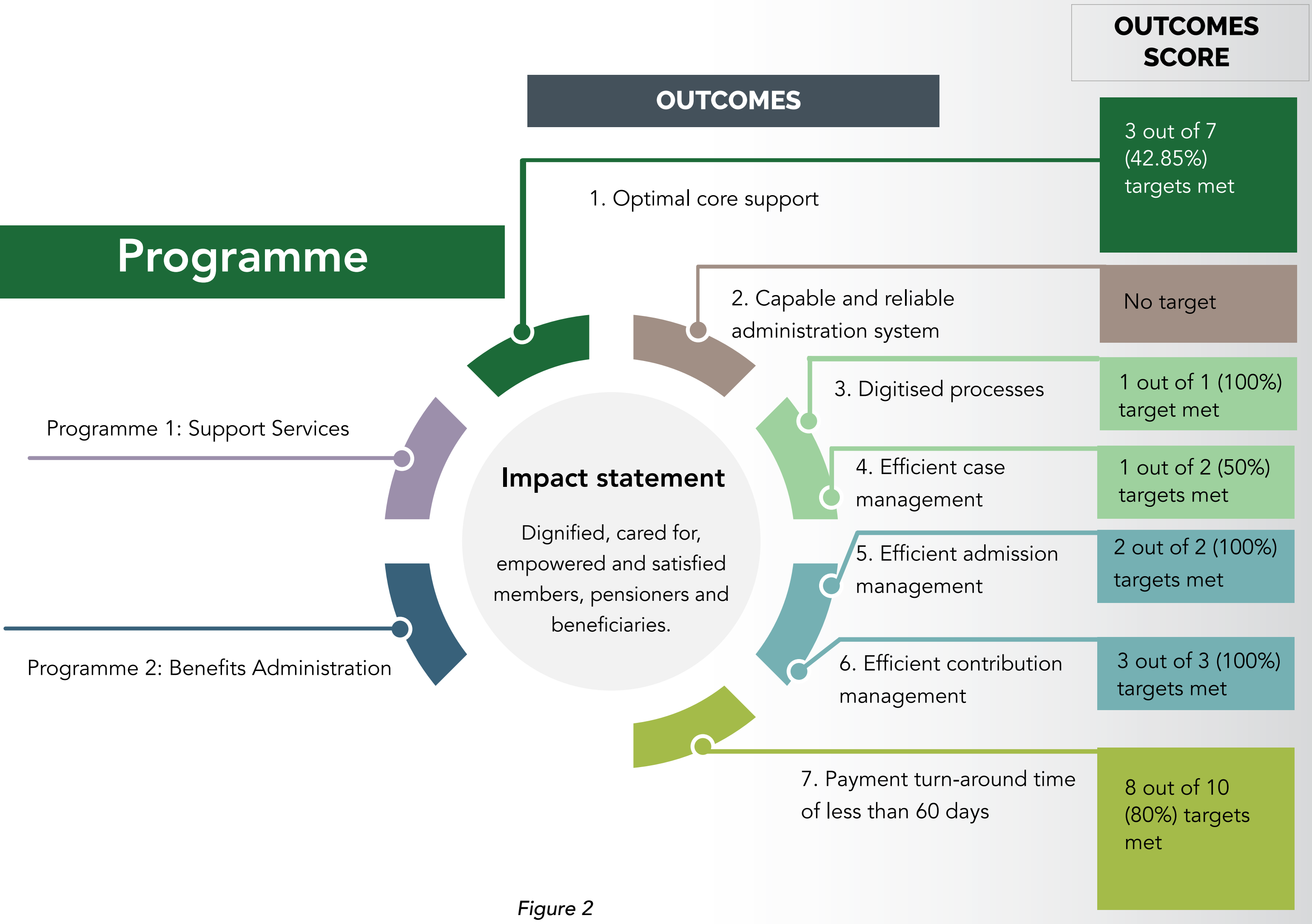


Figure 2

During the financial year under review, a total of 25 output performance indicators were tracked for the purpose of measuring the achievement of the strategic outcomes. As reflected in Figure 2, 100% of the target was met for three outcomes. One of the remaining outcomes had 50% of the set targets achieved, one outcome had 80% of the targets achieved, while one outcome had less than 50% of the targets met. On the other hand, one outcome did not have any outputs. The organisation is on track to realising the strategic outcomes set out in the Strategic Plan tabled in Parliament in February 2019.

The performance scorecards for Programme 1 and Programme 2 reflect the output indicators and targets for the financial year under review, together with the achievements and challenges experienced in the attainment of the set targets. (See page 32-46)

Table 1 shows organisational APP performance per sub-programme.

Table 1: Annual APP Performance Per Sub-Programme

Overall Annual Performance						
Sub-programme	**Total Measures**	**Annual Achievement**	**Achieved**		**Not Achieved**	
			E	**A**	**PA**	**NA**
Sub-programme 1.1 Corporate Services	3	66.66%	2	0	1	0
Sub-programme 1.2 Finance	3	33.33%	0	1	2	0
Sub-programme 1.3 Business Enablement	1	0.00%	0	0	1	0
Sub-programme 1.4 Strategic Support	1	100.00%	1	0	0	0
Sub-programme 1.5 Governance	Sub-programme 1.5 does not have indicators for this financial year in the APP.					
Sub-programme 2.1 Civil, Military & Other Pensions	6	83.33%	5	0	1	0
Sub-programme 2.2 Employee Benefits	8	75.00%	6	0	1	1
Sub-programme 2.3 Client Relations Management	3	100.00%	3	0	0	0
Overall Achievement	**25**	**72.00%**	**17**	**1**	**6**	**1**

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

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

The GPAA has embraced the outcome-based approach in its strategic planning and monitoring processes. The Strategic Plan (SP) and APP were produced within the ambit of the GPAA's strategic planning framework, which outlines the planning, budgeting, implementation and reporting cycle of the organisation.

Monitoring the performance of the organisation in implementing the APP was guided by the Monitoring and Evaluation (M&E) framework. The framework outlines the results-based M&E approach of the organisation, in alignment with the results-based approach of government. The framework is also aligned to the Framework for Managing Programme Performance Information and the National Evaluations Policy Framework. It guides the evaluations that are undertaken by the GPAA in evaluating the effectiveness and efficiency of various initiatives.

It is against this backdrop that the outcomes-based approach has been embedded in the GPAA's planning, monitoring and evaluation instruments.

Performance against Strategic Outcomes

The GPAA has achieved most of the targets set for its predetermined outcomes. During the financial year under review, 18 of the 25 (72%) performance targets were achieved. The key highlights include: an average of 97.02% (GEPF: 94.05% and National Treasury: 99.99%) of benefits paid on time after receipt of duly completed documentation; and an average of 99.99% of new members that were admitted within the target time period. Furthermore, an average of 99.79% of clients who visited the GPAA offices across the country were attended to, and an average of 99.08% of calls received by the Call Centre were resolved during the first contact call.

The GPAA administered benefits on behalf of the GEPF, which had an active membership of 1 277 902 million members and over 351 100 pensioners at the end of March 2024. Contributions received for the financial year amounted to approximately R90.85 billion, while the benefits paid out to beneficiaries amounted to R140.11 billion. A summary of the claims administered in 2023/2024, as well as the monthly benefits payments are reported in Table 2.

Table 2: Claims and Monthly Benefits Paid

CASES ADMINISTERED AND FINALISED BY THE GPAA	CASES PAID 2022 / 2023	CASES PAID 2023 / 2024
Resignation from GEPF	23 850	22 671
Retirement from GEPF	37 440	35 523
Transfer from GEPF	3 379	2 768
Beneficiaries paid due to death of members	8 770	6 097
Total	**73 439**	**67 059**
RECIPIENTS OF MONTHLY PAYMENTS FROM THE FUND	MONTHLY PAYMENTS 2022 / 2023	MONTHLY PAYMENTS 2023 / 2024
Injury on Duty payments	9 992	9 959
Post-retirement Medical Benefits	148 454	159 379
Military Pensions	4 636	4 500
Special Pensions	5 552	5 336
Other benefits	750	714
Pension benefits (GEPF)	336 629	351 100
Spouse benefits (GEPF)	171 592	174 188
Child's Pension benefits (GEPF)	15 809	23 477
Pension benefits (AIPF)	3 518	3307
Spouse benefits (AIPF)	2 483	2422
Pension benefits (TEPF)	155	151
Spouse benefits (TEPF)	107	101
Total benefits paid per recipient per month (average)	**700 118**	**734 634**

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The GPAA has put systems in place to report on a quarterly and annual basis on its performance towards attainment of its predetermined strategic outcomes. The quarterly performance reporting process is aimed at monitoring and reporting on delivery against the set quarterly and annual performance targets.

This section presents the performance of the GPAA against the annual targets set out in the 2023/2024 APP.

PROGRAMME 1: SUPPORT SERVICES

Purpose of the Programme

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

List of Sub-Programmes

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

Strategic Outcomes for 2023 / 2024

- Optimal Core Support
- Digitised Processes

Table 3: Performance Against Predetermined Outcomes

Outcome	Output	Output Indicator	Audited actual performance 2021/2022	Audited Actual Achievement 2022/2023
Optimal core support	Disabled employees	1. % of disabled employees as total employees	5.74% of disabled employees as a total employees	5. 69% of disabled employees as a total employees
	Female employees	2. % of female employees as total employees	63.09% female employees as a total of employees	63.29% of female employees as a total of employees
	Black employees	3. % of black employees as total employees	90.20% of black employees as a total of employees	90.70% of black employees as a total of employees
	Clean audit	4. Clean audit achieved in Quarter 3 of the next financial year +	Unqualified audit with findings	Unqualified audit with findings
	Valid invoices paid	5. % of accurate payment of valid invoices paid within 30 working days	99.32% of accurate payment of valid invoices paid within 30 working days	99.90% of accurate payment of valid invoices paid within 30 working days
	Reduced Unclaimed Benefits	6. % of all amounts in Unclaimed Benefits paid (excluding interest)	42.52% of all amounts in Unclaimed Benefits paid (excluding interest)	42.85% of all amounts in Unclaimed Benefits paid (excluding interest)
Digitised processes	Clients reached through the digital communication channels	7. % of clients reached through the digital communication channel	56.30% of clients reached through the digital communication channels	61.47% of clients reached through the digital communication channels
Optimal core support	ICT systems up-time	8. % of time ICT system is available during required times per quarter	99.89% of the time ICT system is available during required times per quarter	99.97% of the time ICT system is available during required times per quarter

Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reason for deviation
2% of disabled employee as a total employees	5. 54% disabled employee as a total employees	Target exceeded by 3.54%	The GPAA recruitment policy is aligned to the transformation plan (Employee Equity Plan).
51% of female employees as a total employees	61.12% of female employees as a total employees	Target exceeded by 10.12%	The GPAA recruitment policy is aligned to the transformation plan (Employee Equity Plan).
92% of black employees as a total employees	91.60% of black employees as a total employees	Target missed by 0.4%	Staff turnover in over-represented groups was low.
Clean audit	Unqualified audit with findings	Unqualified audit with findings	Non-compliance on some Treasury regulations.
100% of accurate payment of valid invoices paid within 30 working days.	100% of accurate payment of valid invoices paid within 30 working days	Target achieved as expected	Improved communication between Cost Centre managers and Accounts Payable regarding invoices.
60% of all amounts in Unclaimed Benefits paid (excluding interest).	53.10% of all amounts in Unclaimed Benefits paid (excluding interest).	Target missed by 6.9%	The systems used to re-issue payments were not fully functional in Q4 due to the GPAA cyber-security challenge, which led to inability to process payments on time.
55% of clients reached through digital communication channels.	62.03% of clients were reached through digital communication channels.	Target exceeded by 7.03%	Proper planning, effective implementation and continuous updating of personal details by clients.
97% of time ICT system is available during required times per quarter	87.52% of time ICT system is available during required times per quarter	Target missed by 9.48%	The ransomware attack had a major impact on system availability during Q4.

Strategies to overcome areas of under-performance

Table 4 details the strategies to be implemented to overcome under-performance against the targets not achieved for the Optimal Core Support outcome.

Table 4: Outcome: Optimal Core Support

Output	Output Indicator	Strategies to overcome areas of underperformance
Black employees	% of black employees	Priority is to be given to the appointment of under-represented groups (Blacks, Indians, Chinese and Coloureds).
Reduced Unclaimed Benefits	% of all amounts in Unclaimed Benefits paid (excluding interest)	ICT to resolve the system challenges that are experienced daily, in order to pay cases effectively and efficiently.
ICT systems up-time	% of time ICT system is available during required times per quarter	The file servers are to be moved to SharePoint online. The move to Azure will also assist the GPAA to continue to provide services in the event of an incident in the future. Several recovery and hardening actions are being executed by ICT to prepare for a future attack and to limit the damage caused.
Clean audit	Clean audit	Concerted effort will be made to enhance compliance with Treasury regulations.

Linking Performance to Budgets

The budget expenditure that supported the performance of Programme 1 is shown in Table 5.

Table 5: Linking Performance to Budget

Programme 1: SUPPORT SERVICES	2022/2023			2023/2024		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Total	**791 481**	**708 148**	**83 333**	**815 146**	**784 893**	**30 253**

Reasons for over/under expenditure:

The under-spending was due to:

- Unfilled vacant positions which meant lower spending on the allocation for compensation of employees.
- There was under-spending on consulting fees, mainly due to delays in appointing service providers such as a space planner engineer and a quantity surveyor.
- Operating lease expenses also showed under-spending because of delays with office relocations and establishments; delays with the appointment of a service provider to provide security and x-ray equipment; over-estimation of the cost of copiers and scanners.

PROGRAMME 2: BENEFITS ADMINISTRATION

Purpose of the Programme

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

List of Sub-Programmes

- Special Pensions, Post-Retirement Medical Subsidies, Military Pensions, and Other Benefits (National Treasury)
- Employee Benefits (GEPF)
- Client Relationship Management (CRM)

Strategic Outcomes for 2023 / 2024

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

Table 6: Performance Against Predetermined Outcomes

Outcome	Output	Output Indicator	Audited actual performance 2021/2022	Audited Actual Achievement 2022/2023	
Payment turnaround time of less than 60 days	Satisfied clients	9. % client satisfaction levels	81.25% of client satisfaction levels	94.98% of client satisfaction levels	
	Resolved calls	10. % calls resolved verses calls answered.	New measure	23.06% % calls resolved verses calls answered.	
Efficient admission management	NT members admitted	11. % of NT members admitted within 14 working days	98.82% of NT members admitted within 14 working days	99.80% of NT members admitted within 14 working days	
	GEPF members admitted	12. % of GEPF members admitted within 14 working days	100% of GEPF members admitted within 14 working days	100% of GEPF members admitted within 14 working days	
Efficient contribution management	GEPF contributions received and reconciled	13. % of GEPF contributions received and reconciled by the 22nd of the month	99.98% of GEPF contributions received and reconciled by the 22nd of the month	99.96% of GEPF contributions received and reconciled by the 22nd of the month	
Efficient case management	NT clients records maintained	14. % of NT clients records maintained within 21 working days	99.82% of NT clients records maintained within 21 working days	100% of NT clients records maintained within 21 working days	
	NT suspended pensioners (overseas) reinstated	15. % of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	99.56% of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	

	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for achievements or deviations
	90% client satisfaction levels	94.50% client satisfaction levels.	Target exceeded by 4.5%	Constant monitoring of services rendered through outreach events, emails, mobile offices, Walk-in Centres and Call Centres.
	66% % calls resolved verses calls answered.	99.08% calls resolved verses calls answered	Target exceeded by 33.08%	The aim was to drive the efficiency rating and achieve the required service level.
	99.98% of NT members admitted within 14 working days	99.98% of NT members admitted within 14 working days	Target is achieved as expected	Continuous monitoring and support provided to staff.
	98% of GEPF members admitted within 14 working days	100% of GEPF members admitted within 14 working days	Target exceeded by 2%	Active production management plans in place and constant monitoring.
	97% of GEPF contributions received and reconciled by the 22nd of the month	99.95% of GEPF contributions received and reconciled by the 22nd of the month	Target exceeded by 2.95%	Well-defined SOP, timeous collection of contributions, regular follow-up with defaulting employers and escalation where needed.
	99.98% of NT clients records maintained within 21 working days	99.97% of NT clients records maintained within 21 working days	Target missed by 0.01%	Delayed receipt of client information.
	99.98% of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated within 21 working days after receipt of Life Certificates	Target exceeded by 0.02%	Focused attention on target achievement and continuous monitoring.

Outcome	Output	Output Indicator	Audited actual performance 2021/2022	Audited Actual Achievement 2022/2023	
Payment turn-around time of less than 60 days	NT membership certificates issued	16. % of NT membership certificates issued within 30 working days of admission	99.90% of NT membership certificates issued within 30 working days of admission	100% of NT membership certificates issued within 30 working days of admission	
	NT Death Benefits paid	17. % of NT Death Benefits paid within 60 working days after duly completed documents were received	93.58% of NT Death Benefits paid within 60 working days after duly completed documents were received	100% of NT Death Benefits paid within 60 working days after duly completed documents were received	
	GEPF benefits paid	18. % GEPF benefits paid within 45 working days liability date, excluding Death benefits after receiving duly completed documents	76.52% GEPF benefits paid within 45 working days liability date, excluding Death benefits after receiving duly completed documents	93.81% GEPF benefits paid within 45 working days liability date, excluding Death benefits after receiving duly completed documents	
	NT benefits paid	19. % of NT benefits paid within 20 working days after receipt of duly completed documents excluding Death benefits	99.98% of NT benefits paid within 20 working days after receipt of duly completed documents excluding Death benefits	99.99% of NT benefits paid within 20 working days after receipt of duly completed documents excluding Death benefits	
	Visitors serviced	20. % of visitors serviced versus number of visitors	99.86% of visitors serviced versus number of visitors	99.80% of visitors serviced versus number of visitors	
	GEPF Death Benefits paid	21. % of GEPF Death Benefits paid within 60 working days of liability date after duly completed documents were received	28.69% of GEPF Death Benefits paid within 60 working days of liability date after duly completed documents were received	48.68% of GEPF Death Benefits paid within 60 working days of liability date after duly completed documents were received	
Efficient contribution management	TEPF contributions received and reconciled	22. % of TEPF contributions received and reconciled by the 22nd of the month	131.09% of TEPF contributions received and reconciled by the 22nd of the month	115.12% of TEPF contributions received and reconciled by the 22nd of the month	
	AIPF contributions received and reconciled	23. % of AIPF contributions received and reconciled by the 22nd of the month	99.23% of AIPF contributions received and reconciled by the 22nd of the month	99.12% of AIPF contributions received and reconciled by the 22nd of the month	
Payment turnaround time of less than 60 days	AIPF benefits paid	24. % of AIPF benefits paid within a set period (45 working days) of the liability date after receipt of duly completed documentation	16.16% of AIPF benefits paid within a set period (20 days) of the liability date after receipt of duly completed documentation	63.41% of AIPF benefits paid within a set period (45 working days) of the liability date, after receipt of duly completed documentation	
	TEPF benefits paid	25. % of TEPF benefits paid within a set period (45 working days) of the liability date after receipt of duly completed documentation (excluding Death Benefits)	11.11% of TEPF benefits paid within a set period (20 days) of the liability date after receipt of duly completed documentation (excluding Death Benefits)	30.83% of TEPF benefits paid within a set period (45 working days) of the liability date after receipt of duly completed documentation (excluding Death benefits)	

	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for achievements or deviations
	99.98% of NT membership certificates issued within 30 working days of admission	100% of NT membership certificates issued within 30 working days of admission	Target exceeded by 0.02%	Focused attention on target achievement and continuous monitoring.
	90% of NT Death Benefits paid within 60 working days after duly completed documents were received	100% of NT Death Benefits paid within 60 working days after duly completed documents were received	Target exceeded by 10%	Focused attention on target achievement and continuous monitoring.
	87% GEPF benefits paid within 45 working days liability date, excluding Death benefits after receiving duly completed documents	94.05% GEPF benefits paid within 45 working days liability date, excluding death benefits after receiving duly completed documents	Target exceeded by 7.05%	Increased capacity and effective management of production on a daily basis.
	90% of NT benefits paid within 20 working days after receipt of duly completed documents excluding death benefits	99.99% of NT benefits paid within 20 working days after receipt of duly completed documents excluding death benefits	Target exceeded by 9.99%	Focused attention on target achievement and continuous monitoring.
	94% of visitors serviced versus number of visitors	99.79% of visitors serviced versus number of visitors	Target exceeded by 5.79%	Maintain and improve performance through constant monitoring.
	60% of GEPF Death Benefits paid within 60 working days of liability date after duly completed documents were received	74.29% of GEPF Death Benefits paid within 60 working days of liability date after duly completed documents were received	Target exceeded by 14.29%	Increased capacity and effective management of production on a daily basis.
	97% of TEPF contributions received and reconciled by the 22nd of the month	137.20% of TEPF contributions received and reconciled by the 22nd of the month	Target exceeded by 40.20%	The achievement was due to over-payments made by some employers.
	97% of AIPF contributions received and reconciled by the 22nd of the month	98.07% of AIPF contributions received and reconciled by the 22nd of the month	Target exceeded by 1.07%	Well-defined SOP, timeous collection of contributions, regular follow-up with defaulting employers and escalation where needed.
	87% of AIPF benefits paid within a set period (45 working days) of liability date, after receipt of duly completed documentation	79.24% of AIPF benefits paid within a set period (45 working days) of liability date, after receipt of duly completed documentation	Target missed by 7.76%	There was still a high number of redirected and rejected claims, which impacted on timeous payment of claims. The AIPF claims also formed part of the whole value chain and were processed in-between all the other thousands of claims.
	87% of TEPF benefits paid within a set period (45 working days) of liability date after receipt of duly completed documentation (excluding Death benefits)	6.25% of TEPF benefits paid within a set period (45 working days) of liability date after receipt of duly completed documentation (excluding Death Benefits)	Target missed by 80.75%	Redirected and rejected claims had a negative impact on timeous payment of claims. The TEPF claims also formed part of the whole value chain and were processed in-between all the other thousands of claims.

Strategies to overcome areas of under-performance

Table 7 provides an indication of the strategies to be implemented to overcome under-performance on targets not achieved in terms of a payment turnaround time of less than 60 days, and efficient case management.

Table 7: Outcome: Payment Turnaround Time of Less Than 60 Days

Output	Output Indicator	Strategies to overcome areas of under-performance
AIPF benefits paid within a set period (45 working days) of receipt of duly completed documentation	% of AIPF benefits paid within a set period (45 working days) of liability date, after receipt of duly completed documentation	More intense management of AIPF claims will be done once a week by using a list of AIPF claims from the MIS platform.
TEPF benefits paid within a set period (45 working days) of receipt of duly completed documentation	% of TEPF benefits paid within a set period (45 working days) of liability date, after receipt of duly completed documentation (excluding death)	More intense management of TEPF claims will be done once a week by using a list of TEPF claims from the MIS platform.
NT clients records maintained	% of NT clients records maintained within 21 working days	Improve the management of client records updates.

Linking performance to budgets

The budget expenditure that supported the performance of Programme 2 is indicated in Table 8.

Table 8: Linking Performance to Budget

Programme 2: BENEFITS ADMINISTRATION	2022/2023			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
Total	**347 213**	**334 790**	**12 423**	**583 025**	**485 067**	**97 958**

Reasons for over/under expenditure:

The under-spending was due to:

- Unfilled vacant positions, which meant lower spending on allocation for compensation of employees.
- Under-spending on the storage budget due to delays in transferring documents from Iron Mountain to a new storage service provider.
- Delays in the procurement of uniforms for Roadshows contributed to the under-spending.

5. REVENUE COLLECTION

The GPAA earns its revenue on a cost recovery basis with the GEPF and National Treasury. Table 9 provides an indication of the revenue collected for the financial year under review.

Table 9: Revenue Collection

	2022/2023			2023/2024		
Sources of revenue	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
Administration fees	1 218 463	1 091 742	126 721	1 398 172	1 283 885	114 287
Other income	-	4 182	(4 182)	-	6 179	(6 179)
Total	**1 218 463**	**1 095 924**	**122 539**	**1 398 172**	**1 290 064**	**108 108**

The variance of R108 million (8%) is due to the GPAA not incurring all funds provided for in the budget. The under collection did not have any negative impact on service delivery. Other income include interest received, commission and parking income which are not budgeted for.

6. CAPITAL INVESTMENT

Table 10 presents the expenditure on Capital Investments for the 2023/2024 financial year.

Table 10: Capital Investment

2022/2023				2023/2024		
Infrastructure projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	**110 700**	**91 516**	**19 184**	**122 708**	**111 792**	**10 916**

PART C: GOVERNANCE

CONTENT

1. INTRODUCTION

Sound corporate governance practices and structures, together with strong internal controls, are the necessary foundation for the GPAA to execute its mandate and be accountable to the GEPF, National Treasury and the public at large. Accordingly, the GPAA has put systems in place to ensure effective risk management, prevent corruption and fraud, minimise conflict of interest, ensure adherence to the Public Service Code of Conduct, accountable management and proper internal auditing. This section discusses the frameworks and policies that form the pillars of the GPAA's corporate governance arrangements, which have been developed and implemented in accordance with the relevant legislative frameworks.

2. PORTFOLIO COMMITTEES

As a component of National Treasury, the GPAA is overseen by Parliament through the Portfolio Committees.

No key issues raised by PCs.

3. EXECUTIVE AUTHORITY

The CEO of the GPAA submits reports to the Deputy Minister of Finance on a quarterly basis and reports to the National Treasury entity oversight unit for the Minister.

No key issues raised by the Executive Authority.

4. RISK MANAGEMENT

The GPAA has an approved Risk Management Policy, which provides guidance with regard to the management of risks, in order to support the achievement of the GPAA's objectives. This ensures efficient and effective integration of risk management in line with the Risk Management Framework, which incorporates the Risk Management Strategy.

Regular risk assessments are conducted in line with the Risk Management Implementation Plan, including a review of internal controls and the actions taken to respond to the assessed risks. Emerging risks are also identified and monitored regularly as part of the risk management activities and processes.

The GPAA has a Risk Management Committee (RMC) that comprises the organisation's Executive Committee (EXCO) as well as an independent Chairperson and member, which assists the CEO in ensuring accountability regarding risk management. This is done by reviewing the effectiveness of the GPAA's risk management systems, practices and procedures, and providing recommendations for improvement. The Committee also evaluates the effectiveness of the mitigating strategies used to address the material risks of the GPAA. The GPAA also has an Audit Committee that provides oversight on the controls, governance and risk management of the organisation. The committee provides an independent and objective view of the effectiveness of the GPAA's risk management process.

The risk management process considers the internal and external environments when identifying risks, and ensures that adequate plans are in place to mitigate the risks and to take advantage of the opportunities that could have an impact on the GPAA's strategic priorities. This process is yielding the intended benefits in terms of the performance of the organisation, as evidenced by the monitoring of the key risk indicators.

5. INTERNAL AUDIT AND AUDIT COMMITTEE

5.1 The Internal Audit (IA) Unit

Objectives

The objectives of Internal Audit (IA) are to review the adequacy and effectiveness of the management system of internal controls, risk management and governance processes to ensure that:

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

Key activities:

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

5.2 Summary of work done

Type	Total Planned Audits	Total (%) Completed	Total (%) Not Completed
Assurance reviews 2023/2024			
Regularity Audit	10	80%*	20%
Performance Audit	3	100%	0%
Information Technology Audit	2	100%	0%
Total	**15**	**86%**	**14%**

Due to the cyber-attack incident that occurred on 16 February 2024, evidence could not be provided to auditors to complete their work.

Type	Total Planned Audits	Total (%) Completed	Total (%) Not Completed
Follow - up reviews 2023/2024			
Regularity Audit	4	100%	0%
Performance Audit	4	100%	0%
Information Technology Audit	4	75%	25%
AG register	4	75%*	25%

Due to the cyber-attack incident that occurred on 16 February 2024, evidence could not be provided to auditors to complete their work.

Consulting Projects 2023//2024	Requested	Completed
Ad-hoc Audits (Debt write-offs: NT & GEPF)	1	1
SCM: Tender evaluations observation	7	7
BC invocations (6 reviews/ offices covered)	6	6
Modernisation stage-gate (1 review)	1	1
Total	**15**	**15**

5.3 The Audit Committee

Audit Committee Objectives

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

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

Activities in relation to Internal Audit

- The Audit Committee examines the appointment, replacement, reassignment or dismissal of the CAE and reviews the mandate, Annual Audit Plan and resources of the Internal Audit function.
- The committee meets with the CAE to review the results of Internal Audit activities, including any significant issues reported to management by the Internal Audit function. It looks at management's responses and the corrective actions taken.
- The committee reviews the performance, degree of independence and objectivity of the Internal Audit function and the adequacy of the Internal Audit processes.
- The committee reviews any issue brought forward by the CAE, including any difficulties encountered by the Internal Audit function, such as limitations to the audit scope, access to information and staffing restrictions.
- The committee ensures the effectiveness of the coordination between the internal audit and external audit functions.

6. COMPLIANCE WITH THE LAW AND OTHER REGULATIONS

The GPAA was established in terms of Proclamation No.10 of 26 March 2010, as a government component to administer pensions on behalf of the GEPF and National Treasury (NT). The GPAA has to adhere to the Government Employees Pension Law, 1996 (which is the legislative framework for the payment of pensions), National Treasury prescripts and the PFMA. The organisation has to comply with various pieces of legislation that govern National Treasury pension benefits and other associated funds, as outlined in paragraph 8(2) (c) (i) – (v) of Proclamation No. 10 of 26 March 2010. In addition, it has to comply with all applicable laws of the Republic of South Africa.

The GPAA has adopted a compliance framework in respect of compliance management, which is supported by various internal policies. It monitors the compliance requirements through legal and governance processes, as well as through quarterly reporting to various governance structures. The implementation of internal policies and defined Standard Operating Procedures (SOPs) further enhances compliance and good governance within the organisation.

The GPAA is audited by both its Internal Audit unit and the AGSA to ensure compliance with laws and regulations.

7. FRAUD AND CORRUPTION

Treasury Regulation 27.2.1 of the PFMA requires the GPAA to develop and maintain a Risk Management Strategy that must include a Fraud Prevention Plan. The purpose of the strategy is to direct internal audit efforts and priorities, and to determine the skills required for managers and staff to improve controls and to manage the identified risks. The Fraud Prevention Plan must cover a period of three years, as per the directive of Treasury Regulation 29.1.1 (e).

The purpose of the Fraud Prevention Strategy is to ensure a positive change in the attitudes of all employees, external service providers and suppliers of the agency regarding corruption and fraud. Fraud prevention can be seen as the cumulative effect of both preventative and detection systems incorporated by management. Detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent.

The GPAA has an approved Fraud Prevention Plan. This plan is aimed at ensuring that employees and management act legally, ethically and in the public interest. Furthermore, it promotes a culture that does not tolerate any act of fraud or corruption. It seeks to reduce the risk of fraud occurring, it provides guidance on the detection and investigation of fraud when it occurs and it ensures that appropriate corrective action is taken.

As directed by the Fraud Prevention Plan and the Fraud Prevention Strategy, the following governance documents were reviewed during the year under review, with a view to enhancing the implementation of the approved plan:

- Anti-Corruption Policy
- Fraud Implementation Plan
- Standard Operating Procedures.

Mechanisms in Place to Report Fraud and Corruption and How These Operate

The GPAA has a whistle-blowing hotline that is managed by an independent service provider. The GPAA has established the ethics function as part of its control for fraud prevention. The GPAA also complies fully with the DPSA's Integrity Management Framework. Incidents of fraud or irregularities may be reported by the public or members using any of the following mechanisms:

- Hotline: 0800 203 900
- SMS facility: 30916
- Email: gepf@thehotline.co.za
- Web based reporting: www.thehotline.co.za
- Walk-ins: GPAA Head Office/Regional offices & internal business units

National Anti-Corruption Hotline (administered by the Public Service Commission)

- Hotline: 0800 701 701 (toll free number)

The GPAA has a Whistle-Blowing Policy and an Anti-Corruption Policy, which protect officials who make a confidential disclosure about suspected fraud and corruption.

How these cases are reported and what actions are taken

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

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

The internal investigators will carry out an investigation within 60 working days, make findings based on the available evidence, and provide recommendations (where applicable) on the potential disciplinary, criminal or civil action to be taken, as well as on control and policy improvements. All investigations conducted at the GPAA are conducted in accordance with acceptable practices, within legal parameters and in compliance with the existing investigation methodology. The GPAA refers all matters where there is suspicion of fraud and a financial loss was incurred to the appropriate law enforcement agency for further investigation, regardless of the amount involved.

All the cases reported for investigation are captured in a case management system. The case management system assists with the maintenance of data and the allocation of case numbers. In instances where a full-scale investigation is warranted, cases are allocated internally to the forensic investigation team. On completion of the investigation, a report is sent to the Accounting Officer for approval of the disciplinary action to be taken or referral to the SAPS for further investigation. Some cases are also referred to the Legal Unit to pursue civil action.

8. MINIMISING CONFLICT OF INTEREST

Conflict of interest is considered at all SCM meetings for both SCM practitioners and members appointed to the respective committees. These committees include the Price Quotation Committee (PQC), Bid Adjudication Committee (BAC), Bid Specification Committee (BSC) and Bid Evaluation Committee (BEC). Before a meeting commences, the committee is advised of the bidders that responded to a published bid or which are recommended for award.

If a conflict of interest is raised by anyone, that individual is recused from further participation in the discussions. Appointed BEC members may also not participate in any discussion about a specific bid at the BAC. SCM practitioners are also required to declare their financial interest annually as well as any remuneration they may receive in addition to their salary paid by the organisation.

9. CODE OF CONDUCT

The GPAA regards the Code of Conduct and Ethics as an important pillar in the promotion of good governance and ethical conduct. This forms part of the DPSA’s Integrity Management Framework, which plays a critical role in dealing with issues of ethics and corruption in the public service in general, and at the GPAA in particular. Various mechanisms are in place to monitor adherence and compliance to the Public Service Code and Service Charter at the GPAA.

During the period under review, the following was done:

- The declaration of interest through the DPSA eDisclosure System and the verification at various levels were implemented.
- A gift register was established and maintained.
- Compliance with the Code of Conduct was monitored, and cases of non-compliance were reported to the Labour Relations unit for action. Consequence management was applied where misconduct was committed.
- An ethics risk campaign was conducted at the Head Office and the regional offices to promote an ethical culture at the GPAA.
- Requests were made, assessed and granted to officials by the CEO for remunerative work done outside the public service in terms of the Public Service Regulations 2016 (PSR, 2016).
- Lifestyle reviews were conducted.

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

- The instances of a breach of the GPAA Code of Conduct that were identified were remedied and consequence management was implemented in accordance with the DPSA's Public Service Disciplinary Code of Conduct.
- The instances of a breach were investigated by the Human Resource unit, and disciplinary steps were taken to remedy the misconduct. HR maintained the registers of misconduct and disciplinary action taken. These are reported in Part D of this Annual Report. The number of cases and the outcomes in each instance are shared with the entire staff quarterly.
- Staff empowerment was achieved through training and awareness, which is an ongoing process.
- The Public Service Commission was invited to deliver presentations and to engage on ethics matters.

10. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

11. AUDIT COMMITTEE REPORT

11.1 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing, as an independent and objective assurance and consulting activity, provides value adding support to improve the operations within the GPAA. It assists the GPAA to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organisation's governance, risk management and internal controls.

Internal Audit (IA) implemented its annual risk-based audit plan for the 2023/24 period as part of a three-year rolling plan, after consultation with management and approval by the Audit Committee. There were fifteen (15) assurance audits planned for the current year. All were completed, which translates to 100% completion of the approved 2023/24 Internal Audit annual plan. All audit engagements and other work of Internal Audit were executed in accordance with the International Professional Practice Framework of Internal Audit (IPPF), as issued by the Institute of Internal Auditors.

The Audit Committee is established as a statutory committee in terms of section 38(1)(a)(ii) of the PFMA and Treasury Regulations. The committee performs an oversight and advisory role to the GPAA and is accountable to the Accounting Officer, the Executive Authority and to the public, to properly consider and evaluate all matters as per its terms of reference. The purpose of the committee is to assist the Executive Authority and Accounting Officer to fulfil their oversight responsibilities in respect of financial reporting, risk management, the system of internal control, the audit process, and the department's process for monitoring compliance with laws, regulations and the code of conduct. The committee also has the primary responsibility of forming an opinion on the effectiveness of the management of the issues within its ambit and communicating these in the Annual Report.

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

Name	Qualifications	Internal or external	If internal, position in department	Date appointed	Date resigned	No. of meetings attended
Ms Pumla Mzizi (Chairperson)	BCom Honours in Transport Economics; CA(SA); BCompt Honours, Certificate in Theory of Accounting; BBusSci Finance Honours	External	N/A	1 October 2018	N/A	10 of 10
Mr Freddy Sinthumule	MBA; BCom Accounting; Dip Finance and Auditing	External	N/A	16 July 2019	N/A	10 of 10
Ms. M Geswint	B. Admin (Majors: Public Admin & Economics) B. Admin (Hons) Economics	(Internal NT)	Chief Director for Country and Thematic Analysis	24 May 2022	N/A	9 of 10

11.2 REPORT BY AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee Responsibility

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

Internal Audit

The Accounting Officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the entity has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

Internal audit performed an external quality assurance in March 2024 and obtained a generally conform rating according to IIA standard 1300.

The Audit Committee approved a risk based three-year rolling Strategic Plan and an Annual Internal Audit Coverage Plan for the period 1 April 2023 to 31 March 2024. Fifteen (15) audits were planned and completed during the year under review. Based on the overall opinion expressed on the audits conducted and finalized for the 2023/24 financial year, the control environment Needs Improvement.

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

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

Risk Management

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

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

Compliance With Legal and Regulatory Provisions

The committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act and is satisfied that no material deviations were noted. The committee also noted management's policies and procedures to ensure compliance with the applicable laws and regulations. Furthermore, the committee noted the external auditor's report highlighting that there were instances of non-compliance identified.

The Effectiveness of Internal Control

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

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by management.

Auditor General's Report

The committee has reviewed the independence and objectivity of the external auditors and noted that there was no non-audit services rendered by them during the year. There is one unresolved issue between AGSA and management report that has been escalated as per the protocols as outlined in the engagement letter. We have also reviewed management's responses to the issues raised in the management report. Continuous oversight will be exercised to ensure that the unresolved findings are adequately addressed.

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

Appreciation

We would like to express our appreciation to the Chief Executive Officer of the GPAA for her leadership and support; Internal Audit, AGSA and to management for their commitment and cooperation.

Pumla Mzizi CA(SA)

Ms Pumla Mzizi CA(SA)
Chairperson of the Audit Committee
Government Pensions Administration Agency

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Compliance by the GPAA with the requirements of the B-BBEE Act, as determined by the Department of Trade and Industry, is reflected in the table below.

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining the qualification criteria for issuing licenses, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a Preferential Procurement policy?	Yes	The GPAA developed and implemented its own Preferential Procurement Policy as part of the reviewed Policy in 2023. Specific goals were identified that were relevant to the business of the GPAA.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing the criteria for partnerships with the private sector?	N/A	
Determining the criteria for awarding incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	

PART D: HUMAN RESOURCE MANAGEMENT

CONTENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The GPAA had 915 permanent funded positions filled and 113 vacancies during the year. An additional 199 contract workers (outside the structure) were in service as at 31 March 2024. The GPAA also appointed 91 Interns during the financial year under review.

2.1 Human Resource Priorities for the Year Under Review and the Impact Thereof

The priorities for the year under review were to finalise the recruitment process for the level 13-15 positions advertised.

2.2 Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

The GPAA continued to recruit skilled and capable employees while complying with the guidelines of the Human Resource Strategy.

2.3 Employee Performance Management Framework

Performance Management is a system by which employees' work performance is planned. This enables the measurement, review and evaluation of an employee's work against individual goals that have been set, as well as the strategic objectives of the GPAA. The system further provides for recognising and rewarding good work, and for improvement where the minimum acceptable work standards have not been achieved.

2.4 Employee Wellness Programme

- All the GPAA offices had two safety, health, environment, risk and quality (SHERQ) drills.
- 70% of the employees that were admitted to hospital were supported.
- EHW 4 pillars (SHERQ, Health and Productivity, Wellness and HIV (human immunodeficiency virus), STI (sexually transmitted infections) and TB (tuberculosis)) management policies were approved and implemented.
- The Funeral and Bereavement Policy was approved and implemented.

2.5 Policy development

The following policies were approved for human resources management:

- The Funeral and Bereavement Policy.
- The SHERQ Management Policy.

3. HIGHLIGHTS AND ACHIEVEMENTS

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

- The staff turnover rate at the GPAA is 3.71%, which is lower than the industry norm of ± 10%.
- The vacancy rate as at 31 March 2024 was 11%.
- Two permanent Senior Management Service (SMS) positions were filled , i.e. Director: Call Centre and Director: Fraud & Forensic.
- Upon approval of the new organisational structure and the creation of additional positions, the GPAA managed to appoint 35 contract workers in permanent positions through a normalisation process.
- The GPAA complied and all SMS financial disclosures were submitted by the due date. Verification of the disclosures was done and submitted timeously to the Public Service Commission (PSC) by the due date. Verification of SMS disclosures against database profiles was done by the Ethics Officers and a report was provided to the Ethics Champion before the due date.
- Financial disclosures for 48 of the 49 MMS members on levels 11 to 12 were done by 31/07/2023. These disclosures were verified by 30/11/2023. One MMS member could not disclose due to system problems on the closing date.
- Long service certificates were distributed to the 48 qualifying employees.
- Pay progression for 37 SMS and Middle Management Services (MMS) members were implemented.
- Several interventions were run, and the average compliance rate for leave verification improved from 87.4% in the previous financial year to 91.2% in the 2023/2024 financial year.

4. CHALLENGES

The following challenges were experienced for the financial year under review:

- Delayed feedback from the Office of the Minister of Finance regarding the shortlist and appointment of a selection panel for the high-level positions.
- Implementation of control measures aimed at assisting Executive Authorities to manage fiscal sustainability during the process of creating and filling positions resulted in the GPAA not advertising any positions after 1/10/2023.
- Non-compliance with turnaround times for applications and invoices by the Health Risk Manager is a concern, because this has an impact on the Human Resources Plan.

5. FUTURE HUMAN RESOURCE PLANS

- Finalise the recruitment process for the level 13 to 15 positions advertised.

6. HUMAN RESOURCES OVERSIGHT STATISTICS

6.1 Personnel Cost per Programme

Table 6.1 provides personnel expenditure by programme.

Table 6.1: Personnel expenditure by programme for the period 1 April 2023 to 31 March 2024

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R'000)
Business Enablement	348 883	55 051	16%	85	648
Client Relations Management (CRM)	305 984	199 092	65%	454	439
Corporate Services	222 652	46 418	21%	115	404
Employee Benefits	96 453	95 518	99%	210	455
Financial Services	144 724	123 752	86%	140	884
Governance	74 119	45 762	62%	52	880
National Treasury Prog 2.1	27	27	100%	95	284
Strategic Support	72 383	24 160	33%	54	447
Total	**1 265 225**	**589 780**	**47%**	**1 205**	**4 441**

6.2 Personnel Cost by Salary Band

The following table provides a summary of personnel costs by salary band.

Table 6.2: Personnel costs by salary band for the period 1 April 2023 to 31 March 2024

Salary band	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	53 462	9%	34	1 572
Senior Management	186 913	32%	234	799
Professional qualified	321 501	54.5%	776	414
Skilled	18 260	3%	47	387
Semi-skilled	5 711	0.9%	22	260
Unskilled	3 933	0.6%	92	43
Total	**589 780**	**100%**	**1 205**	**3 475**

6.3 Performance Rewards

In accordance with the DPSA Circular No. 1 of 2019, "Notice of a reduction in the percentage allocation of remuneration budgets for the payment of performance bonuses for all categories of employees with effect from 1 April 2019", no provision was made in the budget for performance rewards for the period 1 April 2023 to 31 March 2024.

Table 6.3: Performance rewards by salary band for the period 1 April 2023 to 31 March 2024

No performance rewards were paid.

6.4 Training Costs

The following table shows the training cost for the training programmes run.

Table 6.4: Training costs for the period 1 April 2023 to 31 March 2024

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of employees trained	Average training cost per employee
Training programmes (employed)	R566 172 867.00	R4 866 902.00	0.86%	385	R 12 641.30
Training programmes (unemployed)		R61 825.00	0.01%	38	R 1 626.97
Bursaries		R3 346 003.00	0.59%	133	R 25 157.92
Total	**R566 172 867.00**	**R8 274 730.00**	**1.46%**	**556**	

Note: The amount for Training (employed) include expense related to conference attendance.

6.5 Employment and Vacancies

The following tables provide a summary of employment and vacancies by programme and by salary band in terms of permanent positions.

Table 6.5 (a) Employment and vacancies by programme as at 31 March 2024 (permanent positions)

Programme	2022/2023 Number of Employees	2023/2024 Approved Posts	2023/2024 Number of Employees	2023/2024 Vacancies	Vacancies as a % of number of posts
Programme 1.1	101	119	101	18	15.12%
Programme 1.2	93	97	90	7	7.21%
Programme 1.3	58	66	57	9	13.63%
Programme 1.4	33	45	41	4	8.88%
Programme 1.5	41	51	39	12	23.52%
Programme 2.1	91	105	90	15	14.28%
Programme 2.2	166	177	164	13	7.34%
Programme 2.3	331	368	333	35	9.51%
Total	**914**	**1 028**	**915**	**113**	**10.99%**

Table 6.5 (b) Employment and vacancies by salary band as at 31 March 2024 (permanent positions)

Salary Band	2022/2023 Number of Employees	2023/2024 Approved Posts	2023/2024 Number of Employees	2023/2024 Vacancies	Vacancies as a % of number of posts
Top management	1	4	1	3	75%
Senior management	31	38	32	6	15.8%
Professional qualified	220	250	226	24	9.6%
Skilled	587	608	587	21	3.5%
Semi-skilled	52	97	47	50	51.5%
Unskilled	23	31	22	9	29%
Total	**914**	**1 028**	**915**	**113**	**10.99%**

The following SMS positions were filled during the financial year under review:

- Director: Call Centre
- Director: Fraud & Forensic

The following SMS positions were advertised and the process to fill them is under way:

- Deputy Director General: Corporate Services
- Deputy Director General: Employee Benefits

Approval was received from the Minister of Finance to re-advertise the positions of Deputy Director-General: Corporate Services, Deputy Director-General: Employee Benefits and Chief Financial Officer. The advertisements were finalised and the positions were advertised on 29 March 2023 with a closing date of 24 April 2023. The screening, preliminary interviews and assessments were done on the shortlisted candidates, and the final shortlists were sent to the Office of the Minister of Finance for approval, the nomination of a Selection Panel and setting a date for the final interviews. The recruitment process for the Chief Financial Officer was put on hold pending finalisation of the level of the position in the new organisational structure. The GPAA is still awaiting feedback from National Treasury.

During the year under review, the DPSA issued Circular 49 of 2023 regarding Cost Containment Measures to manage fiscal sustainability during the process of creating and filling vacant positions in Departments. This directive was effective from 1 October 2023 to 31 March 2024. An amended Circular was issued by the DPSA (Circular 20 of 2024) indicating that the directive has been extended until 31 March 2025. As a result, the GPAA could not advertise any vacancies from 1 October 2023 to 31 March 2024. The DPSA gave approval for Departments to continue with the recruitment process for all positions that were advertised before the Circular came into effect.

The GPAA appointed 35 permanent employees, 86 contract employees and 91 interns during the year under review. All positions from level 1-12 were advertised internally first, to give internal employees an opportunity to be appointed into a vacant position.

6.6 Employment changes

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

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

Table 6.6 Annual turnover rates by salary band for the period 1 April 2023 to 31 March 2024 (permanent employees)

Salary band	Employment at beginning of period	Appointments and transfers into the organisation	Terminations and transfers out of the organisation	Employment at end of the period
Top management	1	0	0	1
Senior management	31	0	1	32
Professional / qualified	220	11	11	226
Skilled	587	21	18	587
Semi-skilled	52	3	3	47
Unskilled	23	0	1	22
Total	**914**	**35**	**34**	**915**

Note: The twelve employees who were promoted are not reflected in the new appointments, as they were already in service. However, some of them are reflected in different salary bands as before and therefore the number of positions in the various salary bands differ between the beginning and the end of the period. As a result, the figures will not align with the figures for appointments and terminations. Due to the implementation of some job evaluation results, the level of some positions changed, which also affects the alignment of the figures.

6.7 Reasons for Staff Leaving

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

Table 6.7 Reasons why staff left the organisation during the period 1 April 2023 to 31 March 2024

Reason	Number	% of total number of staff leaving
Death	3	8.9%
Resignation	17	50%
Expiry of contract	0	0%
Dismissal	0	0%
Retirement	12	35.3%
Ill-health	1	2.9%
Other	1	2.9%
Total	**34**	3.71%

Resignation and retirement were the two main reasons why staff left the GPAA. As a result of the moratorium on filling vacant positions, the positions will remain vacant for more than six months before the GPAA is able to advertise them.

6.8 Labour Relations

Table 6.8 Misconduct and disciplinary hearings finalised during the period 1 April 2023 to 31 March 2024

Nature of disciplinary action	Number
Verbal warning	3
Written warning	1
Final written warning	3
Dismissal	2
Total	**9**

6.9 Equity Target and Employment Equity Status

The tables that follow show the equity targets and employment status of the organisation.

Table 6.9 (a): Total number of male employees (including employees with a disability) in each occupational category as at 31 March 2024

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	43.60%	0	5.00%	0	1.7%	0	4.80%
Senior management	14 (3.17%)	43.60%	1 (0.23%)	5.00%	0	1.7%	8 (1.80%)	4.80%
Professionally qualified	96 (21.72%)	43.60%	4 (0.90%)	5.00%	5 (1.13%)	1.7%	5 (1.13%)	4.80%
Skilled	259 (58.60%)	43.60%	10 (2.26%)	5.00%	3 (0.68%)	1.7%	7 (1.58%)	4.80%
Semi-skilled	25 (5.66%)	43.60%	0	5.00%	0	1.7%	1 (0.23%)	4.80%
Unskilled	5 (1.13%)	43.60%	0	5.00%	0	1.7%	0	4.80%
Total	**399 (90.28%)**	**43.60%**	**14 (3.39%)**	**5.00%**	**8 (1.81%)**	**1.7%**	**21 (4.74%)**	**4.80%**

Table 6.9 (b): Total number of female employees (including employees with a disability) in each occupational category as at 31 March 2024

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1 (0.15%)	35.90%	0	4.10%	0	1.00%	0	3.90%
Senior management	11 (1.64%)	35.90%	0	4.10%	0	1.00%	4 (0.60%)	3.90%
Professionally qualified	88 (13.11%)	35.90%	7 (1.04%)	4.10%	2 (0.30%)	1.00%	2 (0.30%)	3.90%
Skilled	418 (62.30%)	35.90%	24 (3.58%)	4.10%	6 (0.90%)	1.00%	39 (5.81%)	3.90%
Semi-skilled	26 (3.87%)	35.90%	1 (0.15%)	4.10%	0	1.00%	0	3.90%
Unskilled	18 (2.68%)	35.90%	0	4.10%	0	1.00%	0	3.90%
Total	**562 (83.76%)**	**35.90%**	**32 (4.77%)**	**4.10%**	**8 (1.19%)**	**1.00%**	**69 (10.28%)**	**3.90%**

Table 6.9 (c): Total number of employees with a disability in each occupational category as at 31 March 2024

Levels	EMPLOYEES WITH A DISABILITY			
	Male		Female	
	Current	Target	Current	Target
Top management	0	2%	0	2%
Senior management	2 (3.33%)	2%	0	2%
Professionally qualified	2 (3.33%)	2%	10 (16.67%)	2%
Skilled	12 (20%)	2%	28 (46.67%)	2%
Semi-skilled	3 (5%)	2%	3 (5%)	2%
Unskilled	0	2%	0	2%
Total	**19 (31.67%)**	**2%**	**41 (68.33%)**	**2%**

PART E:
PFMA COMPLIANCE REPORT

CONTENT

1. INTRODUCTION

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

2. INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

2.1 Irregular Expenditure

The tables that follow provide information on irregular expenditure incurred by the GPAA during the 2023/2024 financial year. The tables also indicate the irregular expenditure that is under assessment, determination and investigation. Irregular expenditure that was removed and the disciplinary action taken in response to irregular expenditure are also provided.

Table 2.1.1(a) Reconciliation of irregular expenditure

Description	2024 (R'000)	2023 (R'000)
Opening balance	140,967	111,849
Add: Irregular expenditure confirmed	3,855 [1]	29,118
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(104,633)	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**40,189**	**140,967**

Table 2.1.1(b) Reconciliation notes

Description	2024 (R'000)	2023 (R'000)
Irregular expenditure under assessment	6,655	-
Irregular expenditure that relates to the prior year that was identified in the current year	-	-
Irregular expenditure for the current year	3,855 [1]	29,118
Total	**10,510**	**29,118**

Table 2.1.1(c) Current and previous year's irregular expenditure that is under assessment, determination, and investigation

Description	2024 (R'000)	2023 (R'000)
Irregular expenditure under assessment	6,655	1,388
Irregular expenditure under determination	-	139,579
Irregular expenditure under investigation	-	-
Total	**6,655**	**140,967**

[1] The Auditor General has raised a finding regarding the non-compliance with the Supply Chain Management prescripts in respect of one tender transaction. The finding asserts that there was unfairness in the process to award this tender resulting in an irregular procurement process. However, we maintain that the Government Component adhered to the prescribed processes in accordance with the SCM Practice Note on Implementation of SCM. The Government component has formally referred this matter to the Auditor General Dispute Process within AGSA.

While the Auditor General noted the non-compliance leading to irregular expenditure, the Government Component maintains that it followed all prescribed processes per the SCM Practice Note, reaffirming its commitment to regulatory compliance and transparency, hence no disclosure of any irregular expenditure related to this tender has been disclosed in the financial statements for the current year.

Table 2.1.1(d) Current and previous year's irregular expenditure that was removed and condoned

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Irregular expenditure condoned	-	-
Total	**-**	**-**

Table 2.1.1(e) Current and previous year's irregular expenditure that was removed - (not condoned)

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Irregular expenditure not condoned and removed	104,633	-
Total	**104,633**	**-**

Table 2.1.1(f) Current and previous year's irregular expenditure that was recovered

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Irregular expenditure recovered	-	-
Total	**-**	**-**

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

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Irregular expenditure written off	-	-
Total	**-**	**-**

Table 2.1.1(h) Current and previous year's disciplinary action or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Five written warning letters were issued relating to irregular expenditure.
Six verbal warnings were issued relating to irregular expenditure.
Eighteen matters relating to irregular expenditure were finalised.
None of the irregular expenditure incidents were classified as criminal activity.

2.1.2 Fruitless and wasteful expenditure

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

Table 2.1.2(a) Reconciliation of fruitless and wasteful expenditure

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Opening balance	2,593	819
Add: Fruitless and wasteful expenditure confirmed	4	1,774
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	**2,597**	**2,593**

Table 2.1.2(b) Reconciliation notes

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year that was identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	4	1,774
Total	**4**	**1,774**

Table 2.1.2(c) Current and previous year's fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	4	1,774
Total	**4**	**1,774**

Table 2.1.2(d) Current and previous year's fruitless and wasteful expenditure recovered

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Fruitless and wasteful expenditure recovered	-	-
Total	**-**	**-**

Table 2.1.2(e) Current and previous year's fruitless and wasteful expenditure not recovered and written off

Description	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

Table 2.1.2(f) Current and previous year's disciplinary action and legal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Investigation is in progress regarding one matter.
In one matter, the payment made in vain is still being considered.

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

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

Table 2.1.3(a) Current and previous year's material losses due to criminal conduct

Material losses due to criminal conduct	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	**-**	**-**

The GPAA is not aware of any net losses incurred as a result of criminal acts, as at the reporting date.

Table 2.1.3(b) Other material losses

Nature of other material losses	2023/ 2024 (R'000)	2022/ 2023 (R'000)
Double payment on credit card	-	1,774
Total	**-**	**1,774**

Table 2.1.3(c) Other material losses recovered

Nature of losses	2023/ 2024 (R'000)	2022/ 2023 (R'000)
None	-	-
Total	**-**	**-**

Table 2.1.3(d) Other material losses written-off

Nature of losses	2023/ 2024 (R'000)	2022/ 2023 (R'000)
None	-	-
Total	**-**	**-**

3. INFORMATION ON LATE OR NON-PAYMENT OF SUPPLIERS

The GPAA maintains systems, processes and procedures that enable the tracking of each invoice received, from time of receipt to time of payment. Table 3.1 provides information on the number of invoices received and paid during the 2023/2024 financial year.

Table 3.1: Invoices

Description	Number of invoices	Consolidated Value (R'000)
Valid invoices received	8 820	649,169
Invoices paid within 30 days or agreed period	8 759	648,957
Invoices paid after 30 days or agreed period	0	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	7	47
Invoices older than 30 days or agreed period (unpaid and in dispute)	54	164

4. INFORMATION ON SUPPLY CHAIN MANAGEMENT

4.1 Procurement by other means

The table below provides details on the procurement made by other means, per the reporting requirements of the Instruction Note for the financial year 2023/2024.

Table 4.1.1: Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R'000)
GPAA to procure Television programme (insert), Radio talk show (civic education) and radio consumer-focused show for the financial year 2023/2024 from the SABC	South African Broadcasting Corporation (SABC)	Deviation	RFQ SCM 20230033	R12 729
Fortinet 1000F Firewall with 12 months' Forticare for GPAA	Gijima Ast-A Holdings (Pty) Ltd	Deviation: emergency procurement		R9 315
Cyber security incident response & recovery services	Cyberlinx Security	Deviation: emergency procurement		R3 984
Information technology infrastructure & Microsoft specialist	Fullstream Business Services (Pty) Ltd	Deviation: emergency procurement		R3 588
Business Continuity specialist x 11 months	Fullstream Business Services (Pty) Ltd	Deviation: emergency procurement		R2 632
Independent incident assessment & investigation - Cyber Attack	Fullstream Business Services (Pty) Ltd	Deviation: emergency procurement		R1 150
Total				**R33 400**

4.2 Contract variations and expansion

The table that follows provides information on contract variation orders per the reporting requirements of the Instruction Note for the financial year 2023/2024.

Table 4.2.1: Contract variations and expansion

Project description	Name of supplier	Contract modification type (expansion or variation)	
Platinum Managed LAN & Desktop support (LDS) Services, UCC	SITA	Variation	
Sharepoint, Project initiation, Migration, Maintain and support, web maintenance and database support	SITA	Variation	
Request for proposal for Leasing of Mobile Buses Including Maintenance and Support Services for a Period of Five (5) Years	African Mobility Solutions	Variation	
Mainframe technical support, data replication and failover services	Kyndryl South Africa	Variation	
Mainframe technical support, data replication and failover services	GIJIMA (Kyndryl ceded the contract to Gijima)	Variation	
SMS services (WASP) Wireless Application Service Provider	SITA	Variation	
Provision of Off-Site Storage at GPAA	Iron Mountain South Africa Pty Ltd	Variation	
Legal Database Panel	1. Verveen Attorneys 2. MacRoberts Incorporated Attorneys 3. Moeti Kanyane Incorporated 4. Diale Mogashoa Attorneys 5. Cheadle Thompson & Haysom Incorporated 6. Puke Maserumule Attorneys 7. Phungo Incorporated 8. Marivate Attorneys Incorporated 9. Ledwaba Mazwai Attorneys 10. Mojela Hlazo Attorneys Incorporated 11. Mathopo Moshimane Mulangaphuma/DM5 Incorporated 12. Bell Dewar Incorporated t/a Fasken 13. Alan Kisson Attorneys 14. Mohulatsi Incorporated 15. Sekati Sekati Incorporated 16. Gildenhuys Malatji Incorporated 17. Ngeno Mteto Incorporated 18. Thipa Attorneys Incorporated 19. Msikinya Attorneys & Associates		
Managed LAN & Desktop Services Government Pensions Administration Agency	SITA	Variation	
Leasing of Mobile Buses Including Maintenance and Support Services for a Period of Five (5) Years	African Mobility Solutions	Variation	
Total			

	Contract number	Original contract value	Value of previous contract expansions or variations	Value of current contract expansion or variation
		(R'000)	(R'000)	(R'000)
	SITA/SLA 1168_N ver 2.0	R97 629	R14 633	R11 569
	SITA/SLA 1168_I ver 1.0	R9 638	-	R389
	GPAA 1/2023	R148 005	-	R20 493
	RFB 1713/2017	R49 450	R38 152	R1 940
	RFB 1713/2017	R49 450	R40 093	R13 858
	SITA SLA 1168_K	R4 409	-	R1 508
	BID GPAA 12/2019	R3 701	R1 913	R2 454
	GPAA 12/2018	Rate based (term contract)	Rate based (term contract)	
	SITA SLA 1168-001 (Annex N)	R97 629	R14 633	R6 991
	GPAA 01/2023	R148 005	R20 493	R58 974
		R312 834		

PART F:
ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

CONTENT

PART F: FINANCIAL INFORMATION 84

Accounting Officer's Statement of Responsibility

Statement of responsibility and confirmation of accuracy of the Annual Financial Statements for the year ended 31 March 2024

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

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

The Accounting Officer considered whether, in preparing the financial statements the most appropriate accounting policies have been used, applied consistently, and are supported by reasonable and prudent judgements and estimates. It is the Accounting Officer's opinion that the annual financial statements fairly reflect the operations of the GPAA for the period ending 31 March 2024.

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

The external auditors are engaged to express an independent opinion on the annual financial statements of the GPAA. The GPAA's Annual Financial Statements for the year ended 31 March 2024 have been audited by the external auditors and their report is presented herein.

Kedibone Olga Madiehe
Chief Executive Officer (CEO)
Government Pensions Administration Agency (GPAA)
31 August 2024

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Government Pensions Administration Agency (GPAA) set out on pages 95 to 141, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the GPAA as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the government component in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

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

Irregular expenditure

7. As disclosed in note 21 to the financial statements, the government component incurred irregular expenditure of R3 855 000 as it did not follow applicable procurement legislation.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

9. In preparing the financial statements, the accounting officer is responsible for assessing the government component's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the government component or to cease operations or has no realistic alternative but to do so.

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

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

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 93, forms part of our auditor's report.

Report on the audit of the annual performance report

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

13. I selected the following programme presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programme that measures the government component's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: benefit administration	26	The purpose of this programme is to administer contributory and non-contributory benefits to the clients of the Government Employees Pension Fund (GEPF) and the National Treasury, and to manage client channels and customer relationships with both national and provincial government departments.

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

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the government component 's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the government component's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets/measures taken to improve performance.

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

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

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.

20. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets/measures taken to improve performance are included in the annual performance report on pages 42-46.

Benefit administration

Targets achieved: 78.57% Budget spent: 83.19% %		
Key indicator not achieved	Planned target	Reported achievement
Indicator 24. % of AIPF benefits paid within a set period (45 working days) of the liability date after receipt of duly completed documentation	87%	79,24%
Indicator 25. % of TEPF benefits paid within a set period (45 working days) of the liability date after receipt of duly completed documentation (excluding death)	87%	6,25%

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 2: Benefit Administration. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

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

23. 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.

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

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

Annual financial statements

26. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements of prepayments, trade and other payables from exchange transactions, administration fees and trade and other receivables from exchange transactions identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

Consequence management

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

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 21 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with section 2(1) (f) of PPPFA and paragraph 4(4) of the Preferential Procurement Regulation 2022.

Procurement and contract management

29. Some of the quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the PPPFA and Preferential Procurement Regulation 2022. Similar non-compliance was also reported in the prior year.

30. Some of the quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1) (f) of PPPFA and Preferential Procurement Regulation 2022. Similar non-compliance was also reported in the prior year.

31. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with treasury regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22.

Other information in the annual report

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

33. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.

34. 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.

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

Internal control deficiencies

36. 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.

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

38. Management did not ensure that there are adequate internal controls regarding the review of the annual financial statements to ensure that they are prepared in accordance with the prescribed financial reporting framework.

39. Management did not exercise adequate oversight and monitoring to ensure that supply chain management prescripts were followed in the procurement process of the government component. Material instances of non-compliance with the applicable procurement prescripts similar to those identified in the prior year were also identified in the current year.

40. In some instances, management was unable to conduct investigations related to instances of irregular as well as fruitless and wasteful expenditure incurred in prior periods, as certain documentation could not be located.

Auditor-General

Pretoria

21 August 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); Section 38(1)(h)(iii); 38(1)(j); 40(1)(a); 40(1)(b); Section 40(1)(c)(i); 44(1); 44(2); 45(b);
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; Regulation 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A7.1; 16A7.3; 16A7.6; Regulation 16A7.7; 16A8.3; 16A8.3; 16A8.4; Regulation 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); Regulation 16A9.1(f); 16A9.2; 16A9.2(a)(ii); Regulation 17.1.1; 18.2; 19.8.4
Public service regulation	Regulation 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	Regulation 17; 25(7A)
Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT Instruction Note 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
PFMA SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NT Instruction 05 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 2.1; 3.1(b)
PFMA SCM Instruction Note 01 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 R'000	Restated 2023 R'000
Non-Current Assets		**197,638**	**214,091**
Property, plant and equipment	**3**	143,557	125,061
Intangible assets	**4**	54,081	89,030
Current Assets		**269,380**	**165,417**
Inventory	**5**	2,489	2,089
Trade and other receivables	**6**	138,527	101,387
Pre-payments	**7**	20,336	3,014
Cash and cash equivalents	**8**	108,028	58,927
TOTAL ASSETS		**467,018**	**379,508**
Non-Current Liabilities		**23,388**	**165**
Finance lease liabilities	**9**	22,292	-
Operating lease liabilities	**11**	1,096	165[1]
Current Liabilities		**162,963**	**123,515**
Trade and other payables	**10**	134,002	98,358
Finance lease liabilities	**9**	283	-
Operating lease liability	**11**	3,694	1,798[1]
Provisions	**12**	24,984	23,359
TOTAL LIABILITIES		**186,351**	**123,680**
Net Assets		**280,667**	**255,828**
Accumulated surplus		280,667	255,828
TOTAL NET ASSETS AND LIABILITIES		**467,018**	**379,508**

1 Restated, refer to note 24

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 R'000	2023 R'000
Revenue		**1,290,064**	**1,095,924**
Administration fees	**13.1**	1,283,885	1,091,742
Other income	**13.2**	6,179	4,182
Expenses		**1,265,225**	**1,143,090**
Personnel costs	**14**	589,780	545,896
Travel & subsistence		32,030	23,287
Depreciation	**3**	35,965	38,296
Amortisation	**4**	92,103	98,404
Cleaning services		8,110	8,069
Maintenance & repairs		10,716	12,024
Leases		75,850	70,803
Professional services and consulting		157,495	128,880
Audit fees		6,644	6,611
Communication		63,870	70,018
Printing & stationary		35,629	21,161
Advertising		20,461	15,944
Computer services		104,680	78,489
Training and staff development		9,420	7,896
Municipal services		10,981	11,584
Other operating expenses		5,946	5,372
Finance costs	**15**	5,368	-
Loss on sale of property, plant & equipment		177	356
SURPLUS/(DEFICIT) FOR THE YEAR		**24,839**	**(47,166)**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2024

	2024 R'000
	Accumulated Surplus
Restated Balance as at 31 March 2022	302,994
Restated Deficit for the year	(47,166)
Restated Balance as at 31 March 2023	**255,828**
Surplus for the year	24,839
Balance as at 31 March 2024	**280,667**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 R'000	2023 R'000
Cash flow from operating activities			
Cash generated from operations		**137,696**	**77,285**
Cash receipts from customers		1,247,493	1,114,371
Cash paid to employees and suppliers		(1,109,797)	(1,037,086)
Finance income	**13.2**	5,989	4,000
Net cash flow from operating activities	**16**	**143,685**	**81,285**
Net cash flow from investing activities		**(74,067)**	**(91,516)**
Additions to property, plant and equipment	**3.1**	(16,913)	(24,673)
Additions to intangible assets	**4.1**	(57,154)	(66,843)
Net cash flow from financing activities		**(20,517)**	**-**
Payment on finance lease liabilities		(20,517)	-
Net increase in cash and cash equivalents		**49,101**	**(10,231)**
Cash and cash equivalents at the beginning of the year		58,927	69,158
Cash and cash equivalent at the end of the year	**8**	**108,028**	**58,927**

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	Approved budget		Adjustments		Final budget		Actual amounts on a comparable basis		Difference between final budget and actual in amount		Difference between final budget and actual in percentage	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	%
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	1,376,672	1,218,463	21,500	-	1,398,172	1,218,463	1,290,064	1,095,924	108,108	122,539	8	10
Administration fees	1,376,672	1,218,463	21,500	-	1,398,172	1,218,463	1,283,885	1,091,742	114,287	126,721	8	10
Other income	-	-	-	-	-	-	6,179	4,182	(6,179)	(4,182)	(100)	(100)
Expenditure	1,232,841	1,100,611	42,623	7,152	1,275,464	1,107,763	1,137,157	1,006,390	138,307	101,373	11	9
Personnel remuneration	641,565	620,750	(7,519)	(26,310)	634,046	594,440	589,780	545,896	44,266	48,544	7	8
Operating expenses	591,276	479,861	50,142	33,462	641,418	513,323	547,377	460,494	94,041	52,829	15	10
Surplus from operations	143,831	117,852	(21,123)	(7,152)	122,708	110,700	152,907	89,534	(30,199)	21,166	(25)	19
Depreciation and Amortisation	-	-	-	-	-	-	128,068	136,700	(128,068)	(136,700)	(100)	(100)
Surplus/(Deficit)	143,831	117,852	(21,123)	(7,152)	122,708	110,700	24,839	(47,166)	97,869	157,866	80	143
Capital expenditure	143,831	117,852	(21,123)	(7,152)	122,708	110,700	111,792	91,516	10,916	19,184	9	17

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

ANALYSIS OF ACTUALS VERSUS BUDGET

Revenue

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

GPAA receives 93% of its revenue from GEPF and 7% from National Treasury for administration services rendered for pension members of both GEPF and National Treasury. The variance of R108 million (8%) is due to GPAA not incurring all funds provided for in the budget. Other income includes interest received, commission and parking income, which are not budgeted for.

Operating Expenditure

The total actual operating expenditure (excluding depreciation and amortisation) of R1,1 billion is R138 million (11%) below budget, mainly due to the following:

- Compensation of Employees underspent by R44 million (7%), due to budgeted vacant positions not being filled.
- The agency fees underspent by R6.7 million (36%), mainly due to a moratorium on filling positions.
- Communications overspent by R8.4 million (15%), mainly due to MTN costs (MPLS, APN and 3G), which are budgeted under Ext Comp Services Datalines (in Computer services).
- Computer Services overspent by R6.9 million (7%), due to costs related to a cyber-attack, as well as the cost of moving funds out of the ICT area.
- Consulting underspent by R39.1 million (22%), mainly due to delays in the appointment of a Space Planner Engineer & Quantity Surveyor, as well as a modernisation service provider that was appointed later (January 2024) than anticipated.
- Operating Lease Expenses underspent by R6.7 million (8%), mainly due to: delays with office relocation and establishment projects; delays with the appointment of a service provider for security service; X-ray equipment; and overestimation of the cost for copiers and scanners.

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

- Repairs, Cleaning and Maintenance underspent by R8.5 million (31%) because of delays in finalising the electrical tender and with sourcing a service provider for the maintenance of office equipment.

- Stationary, consumables and printing underspent by R6.9 million (18%), due to delays with third-party personalised members' letter and remittance slips for pensioners, which were planned for February/March. This was due to systems challenges.

- Other operating expenditure underspent by R15.8 million (39%), due to various reasons. Legal costs are only incurred on a needs basis, which resulted in underspending of R2.1 million. In addition, there was underspending of R6.9 million on the storage budget due to delays in transferring documents from Iron Mountain to a new storage service provider, which prompted protracted negotiations. Furthermore, there were delays in procuring uniforms for Roadshows, which had a budget of R7.2 million.

1. PRINCIPAL ACCOUNTING POLICIES

1.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

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

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

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

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

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

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

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

1.4 COMPARATIVE INFORMATION

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

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

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

1.5 SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

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

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

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

1. 5.1 JUDGEMENTS AND ESTIMATES

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

PROVISION FOR IMPAIRMENT OF RECEIVABLES

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

PROVISION FOR ACCUMULATED LEAVE PAY

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

PROVISION FOR PERFORMANCE BONUS

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

IMPAIRMENT OF ASSETS

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

RESIDUAL VALUES AND USEFUL LIVES

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

OTHER PROVISIONS

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

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

1.6 PRINCIPAL-AGENT ARRANGEMENTS

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

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

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

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

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

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

The administration services provided relate to all pension administration services.

1.7 PROPERTY, PLANT AND EQUIPMENT

1.7.1 INITIAL RECOGNITION AND MEASUREMENT

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

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

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

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

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

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

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

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

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

1.7.2 SUBSEQUENT MEASUREMENT

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

1.7.3 SUBSEQUENT EXPENDITURE

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

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

1.7.4 DEPRECIATION

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

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

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

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

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

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

1.7.5 IMPAIRMENT

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

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

1.7.6 DERECOGNITION

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

1.8 INTANGIBLE ASSETS

1.8.1 INITIAL RECOGNITION AND MEASUREMENT

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

Internally generated intangible assets are subject to a strict recognition criterion before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

a) The entity intends to complete the intangible asset for use or sale.
b) It is technically feasible to complete the intangible asset.
c) The entity has the resources to complete the project.
d) It is probable that the entity will receive future economic benefits or service potential.
e) The entity has the ability to measure reliably the expenditure during development.

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

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

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

1.8.2 SUBSEQUENT MEASUREMENT

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

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

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

1.8.3 AMORTISATION

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

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

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

1.8.4 IMPAIRMENT

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

1.8.5 DERECOGNITION

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

1.8.6 CAPITAL WORK-IN-PROGRESS

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

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

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

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

1.9 INVENTORY

1.9.1 INITIAL RECOGNITION AND MEASUREMENT

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

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

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

1.9.2 SUBSEQUENT MEASUREMENT

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

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

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

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

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

1.9.3 DERECOGNITION

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

1.10 FINANCIAL INSTRUMENTS

1.10.1 INITIAL RECOGNITION

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

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

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

1.10.2 INITIAL MEASUREMENT

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

1.10.3 SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

1.10.4 GAINS AND LOSSES

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

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

1.10.6 IMPAIRMENT

All financial assets measured at amortised cost, or cost, are subject to an impairment review. At the end of each reporting period, the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

1.11 POLICIES RELATING TO SPECIFIC FINANCIAL INSTRUMENTS

1.11.1 CASH AND CASH EQUIVALENTS

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

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

1.11.2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

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

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

1.11.3 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

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

1.12 PROVISIONS

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

1.13 LEASES

The entity as lessee

1.13.1 RECOGNITION

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

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

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

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

1.13.2 MEASUREMENT

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

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

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

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

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

1.13.3 DERECOGNITION

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

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

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

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

1.14.1 ADMINISTRATION FEES

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

1.14.2 OTHER INCOME

1.14.2.1 COMMISSION INCOME

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

1.14.2.2 INTEREST INCOME

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

1.14.2.3 PARKING INCOME

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

1.15 PERSONNEL REMUNERATION

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

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

Termination benefits are recognised and expensed only when the payment is made.

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

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

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

1.16 IRREGULAR EXPENDITURE

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

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

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

1.17 FRUITLESS AND WASTEFUL EXPENDITURE

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

1.17.1 RECOVERY OF IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE

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

1.18 POST-REPORTING-DATE EVENTS

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

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

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

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

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

1.19 RELATED PARTIES

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

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

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

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

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

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

1.20 COMMITMENTS

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

1.21 CONTINGENT LIABILITIES

A contingent liability is recorded in the notes to the financial statements when there is a possible obligation that arises from past events and where existence will be only confirmed by the occurrence or non-occurrence of one or more uncertain future events outside the control of the department. It also applies when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or when the amount of the obligation cannot be measured reliably.

1.22 CONTINGENT ASSETS

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

1.23 BUDGET INFORMATION

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

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

The approved budget is prepared on an accrual basis.

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

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

Amendments issued by ASB are effective for the period commencing on or after 1 April 2025. The GPAA has opted for early adoption of the revised standard and apply it from period commencing on or after 1 April 2023. The changes are not expected to have a material impact on the financial statements.

Standard/Interpretation:

GRAP Standards	Title
GRAP 104	Financial Instruments

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. Property, plant and equipment

Reconciliation of Carrying Value

	2024			2023		
	Cost	**Accumulated Depreciation & Impairment**	**Carrying Value**	**Cost**	**Accumulated Depreciation & Impairment**	**Carrying Value**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Computer Equipment	254,280	(202,736)	51,544	249,005	(182,380)	66,625
Furniture & Fittings	48,728	(33,777)	14,951	47,601	(29,820)	17,781
Leasehold Improvements[1]	29,654	(17,907)	11,747	26,758	(15,058)	11,700
Office Equipment	78,759	(51,703)	27,056	71,387	(45,185)	26,202
Office Equipment: finance lease	4,978	(85)	4,893	-	-	-
Vehicles	17,068	(15,158)	1,910	17,068	(14,346)	2,722
Vehicles: finance lease	32,747	(1,326)	31,421	-	-	-
Tools	98	(63)	35	88	(57)	31
Total	**466,312**	**(322,755)**	**143,557**	**411,907**	**(286,846)**	**125,061**

[1] Included in the carrying amount are leasehold improvements, which are not depreciated as the lease commenced in the new financial year, with a cost of R2,6 million (2023: Nil).

3.1 Reconciliation of Property, Plant and Equipment – 2024

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

3.2 Reconciliation of Property, Plant and Equipment – 2023

	Carrying Value Opening Balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying Value Closing Balance R'000
Computer Equipment	75,719	15,162	(218)	(24,038)	66,625
Furniture & Fittings	19,441	2,224	-	(3,884)	17,781
Leasehold Improvements	13,646	1,984	(163)	(3,767)	11,700
Office Equipment	26,729	5,276	(11)	(5,792)	26,202
Office Equipment: finance lease	-	-	-	-	-
Vehicles	3,535	-	-	(813)	2,722
Vehicles: finance lease	-	-	-	-	-
Tools	6	27	-	(2)	31
Total	**139,076**	**24,673**	**(392)**	**(38,296)**	**125,061**

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

	2024 R'000	2023 R'000
Computer Equipment	18,451	13,327
Office Equipment	3,843	3,590
Vehicles	4,157	4,014
	26,451	**20,931**

4. Intangible Assets

Reconciliation of Carrying Value

	2024			2023		
	Cost	**Accumulated Depreciation & Impairment**	**Carrying Value**	**Cost**	**Accumulated Depreciation & Impairment**	**Carrying Value**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Computer Software	122,581	(97,026)	25,555	122,581	(86,828)	35,753
Licenses	62,288	(51,667)	10,621	81,641	(52,314)	29,327
Internally Generated Software	114,479	(96,574)	17,905	114,479	(90,529)	23,950
Total	**299,348**	**(245,267)**	**54,081**	**318,701**	**(229,671)**	**89,030**

4.1 Reconciliation of Intangible Assets – 2024

	Carrying Value Opening Balance	**Additions**	**Amortisation**	**Carrying Value Closing Balance**
	R'000	**R'000**	**R'000**	**R'000**
Computer Software	35,753	-	(10,198)	25,555
Licenses	29,327	57,154	(75,860)	10,621
Internally Generated Software	23,950	-	(6,045)	17,905
Total	**89,030**	**57,154**	**(92,103)**	**54,081**

4.2 Reconciliation of Intangible Assets – 2023

	Carrying Value Opening Balance	Additions	Restated Amortisation	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000
Computer Software	44,927	545	(9,719)	35,753
Licenses	38,075	66,298	(75,046)	29,327
Internally Generated Software	37,589	-	(13,639)	23,950
Total	**120,591**	**66,843**	**(98,404)**	**89,030**

5. Inventory

	2024	2023
	R'000	R'000
Inventory	2,489	2,089
	2,489	**2,089**

Inventory consists of consumables.

Inventory expenses for the year is as follows:

	2024	2023
	R'000	R'000
Inventory	6,000	5,125
	6,000	**5,125**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. Trade and Other Receivables from Exchange Transactions

	2024		
	Gross Balance	**Provision for Doubtful Debts**	**Net Balance**
	R'000	**R'000**	**R'000**
Trade receivables	134,359	-	134,359
Staff debtors	482	-	482
Other debtors	5,656	(1,970)	3,686
	140,497	**(1,970)**	**138,527**

	2023		
	Gross Balance	**Provision for Doubtful Debts**	**Net Balance**
	R'000	**R'000**	**R'000**
Trade receivables	100,469	-	100,469
Staff debtors	430	-	430
Other debtors	3,018	(2,530)	488
	103,917	**(2,530)**	**101,387**

6.1 Ageing: Trade and Other Receivables from Exchange Transactions - 2024

	Trade Receivables	**Staff Debtors**	**Other Debtors**	**Total**
	R'000	**R'000**	**R'000**	**R'000**
Current (0 – 30 days)	134,359	2	3,683	138,044
31 - 60 days	-	89	16	105
61 - 90 days	-	1	3	4
Over 90 days	-	390	1,954	2,344
	134,359	**482**	**5,656**	**140,497**
Provision for doubtful debts	-	-	(1,970)	(1,970)
	134,359	**482**	**3,686**	**138,527**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6.2 Ageing: Trade and Other Receivables from Exchange Transactions – 2023

	Trade Receivables R'000	Staff Debtors R'000	Other Debtors R'000	Total R'000
Current (0 – 30 days)	100,469	50	429	100,948
31 - 60 days	-	124	3	127
61 - 90 days	-	-	2	2
Over 90 days	-	256	2,584	2,840
	100,469	**430**	**3,018**	**103,917**
Provision for doubtful debts	-	-	(2,530)	(2,530)
	100,469	**430**	**488**	**101,387**

6.3 Trade and Other Debtors not Impaired

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

	2024				
	Current	**31 – 60 days**	**61 – 90 days**	**91+ days**	**Total**
Credit quality					
Trade receivables	134,359	-	-	-	134,359
Staff debtors	2	89	1	390	482
Other debtors	3,683	3	-	-	3,686
	138,044	**92**	**1**	**390**	**138,527**

	2023				
	Current	**31 – 60 days**	**61 – 90 days**	**91+ days**	**Total**
Credit quality					
Trade receivables	100,469	-	-	-	100,469
Staff debtors	50	124	-	256	430
Out of service staff debtors	421	1	-	66	488
	100,940	**125**	**-**	**322**	**101,387**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6.4 Reconciliation of Provision for Doubtful Debt

	2024 R'000	2023 R'000
Balance at beginning of the year	(2,530)	(809)
Contributions to provision	-	(1,721)
Reversal of provision	560	-
	(1,970)	**(2,530)**

7. Prepayments

	2024 R'000	2023 R'000
Prepaid expenses	20,336	3,014
	20,336	**3,014**

Prepaid expenses relate mainly to computer services, finance lease payments and staff uniforms. The prepayments are expensed or capitalised on receipt of the goods or services.

8. Cash and Cash Equivalents

	2024 R'000	2023 R'000
Payment Master General (PMG)	92,307	53,788
ABSA Bank	15,429	4,847
Petty cash	292	292
	108,028	**58,927**

9. Finance Lease Liabilities

	2024 R'000	2023 R'000
Non-current liabilities	22,292	-
Current liabilities	283	-
	22,575	**-**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

	2023		
	Minimum lease payments R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Lease payments not later than one year	-	-	-
Lease payments later than one year but not later than five years	-	-	-
Total future lease payments	**-**	**-**	**-**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. Trade and Other Payables from Exchange Transactions

	2024 R'000	2023 R'000
Trade creditors	65,884	57,830
Accruals	52,647	26,615
Unknown deposits	1,360	1,360
Bonus accrual	13,356	12,243
Sundry creditors	755	310
	134,002	**98,358**

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

	Trade creditors R'000	Accruals R'000	Sundry creditors R'000	Total R'000
Current (0 – 30 days)	64,264	52,647	755	117,666
31 - 60 days	1,416	-	-	1,416
61 - 90 days	-	-	-	-
91 - 120 days	-	-	-	-
Over 120 days	204	-	-	204
	65,884	**52,647**	**755**	**119,286**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10.2 Ageing: Trade and Other Payables from Exchange Transactions – 2023

	Trade creditors R'000	Accruals R'000	Sundry creditors R'000	Total R'000
Current (0 – 30 days)	57,655	26,615	310	84,580
31 - 60 days	-	-	-	-
61 - 90 days	-	-	-	-
91 - 120 days	-	-	-	-
Over 120 days	175	-	-	175
	57,830	**26,615**	**310**	**84,755**

11. Operating Lease Liabilities

	2024 R'000	2023 R'000
Current liabilities	3,694	1,798
Non-current liabilities	1,096	165
	4,790	**1,963**

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

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

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

	2024 R'000	2023 R'000
Payables not later than one year	33,864	33,687
Payables later than one year but not later than five years	37,916	48,804
Payables not later than five years	-	-
	71,780	**82,491**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. Provisions

	2024 R'000	2023 R'000
Provision for leave pay		
Opening Balance BOY	23,359	25,269
Provided	24,984	23,359
Utilised	(23,359)	(25,269)
	24,984	**23,359**

13. Revenue from Exchange Transactions

13.1 Administration Income

	2024 R'000	2023 R'000
GEPF	1,217,037	1,024,323
National Treasury (Programme 7)	62,389	62,394
AIPF	4,126	4,871
TEPF	183	154
Department of Military Veterans	150	-
	1,283,885	**1,091,742**

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

13.2 Other Income

	2024 R'000	2023 R'000
Commission income	164	155
Interest income	5,989	4,000
Parking income	26	27
	6,179	**4,182**

14. Personnel Remuneration

	2024 R'000	2023 R'000
Compensation of employees	440,154	388,715
Contributions to GEPF	46,368	42,995
Other benefits	103,258	114,186
	589,780	**545,896**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14.1 Other Benefits

	2024 R'000	2023 R'000
Employer contribution medical aid	33,197	30,825
Service bonus	28,298	25,289
Non-pensionable allowance	16,986	35,365
House owner's allowance	13,598	12,599
Other	11,179	10,108
	103,258	**114,186**

15. Finance Expense

	2024 R'000	2023 R'000
Finance leases	5,368	-
	5,368	**-**

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

	2024 R'000	2023 R'000
Surplus/(Deficit) for the year	**24,839**	**(47,166)**
Adjustments for:	**137,505**	**138,112**
Depreciation and amortisation	128,068	136,700
Increase in lease smoothing	2,827	1,209
Increase/(Decrease) in provision for leave	1,625	(1,910)
Loss on disposal property, plant and equipment	177	392
Finance costs	5,368	-
Increase/(Decrease) in provision for doubtful debts	(560)	1,721
Add/(less) changes in working capital	**(18,659)**	**(9,661)**
(Decrease)/Increase in trade payables	35,644	(34,070)
Decrease/(Increase) in prepayments	(17,322)	5,602
Decrease/(Increase) in trade receivables	(36,581)	18,978
Decrease/(Increase) in Inventories	(400)	(171)
Net Cash Flows from Operating Activities	**143,685**	**81,285**

17. Contingent Liabilities

The GPAA had no contingent liabilities at year end:

	2024	2023
	R'000	R'000
Claims per arbitration award	-	1,500
Matters awaiting judgement after review application	-	-
	-	**1,500**

This is a labour matter that relates to alleged unfair dismissal of two (2) erstwhile employees of the GPAA that have been concluded. The judgement was in favour of GPAA.

18. Contingent Assets

The GPAA had no contingent assets at year end.

	2024	2023
	R'000	R'000
Matters awaiting judgement after review application	-	677
	-	**677**

Legal action against the service provider for non-delivery of all required equipment has been settled and an amount of R400 000 was received by GPAA after year end as the settlement offer.

19. Commitments

	2024	2023
	R'000	R'000
Capital expenditure	69,268	31,449
	69,268	**31,449**

20. Post-reporting-date events

There were no post-reporting-date events for the current financial year.

21. Irregular Expenditure

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

21.1 Irregular expenditure and fruitless and wasteful expenditure

	2024	2023
	R'000	R'000
Irregular expenditure incurred in the current year	3,855	29,118
Fruitless and wasteful expenditure incurred in the current year	4	1,774
	3,859	**30,892**

21.2 Disciplinary steps taken as a result of irregular expenditure

Details of the irregular expenditure	Corrective steps taken	2024	2023
		R'000	R'000
Supply chain management procedures not followed.	Investigation completed and officials disciplined.	2,308	23,545
Non-compliance with quotations.	To be investigated.	577	-
Supply chain management procedures not followed.	To be investigated.	970	-
Supply chain management procedures not followed.	Investigation in progress.	-	1,389
Supply chain management procedures not followed.	Matter finalised.	-	3,724
Supply chain management procedures not followed.	Investigation in progress.	-	237
Supply chain management procedures not followed.	Investigation in progress.	-	223
		3,855	**29,118**

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

Details of the fruitless and wasteful expenditure	Corrective steps taken	2024	2023
		R'000	R'000
Double payments made to service providers.	Investigation in progress.	-	1,774
Accommodation paid in vain.	The matter is still being considered.	4	-
		4	**1,774**

22. Losses through criminal conduct

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

23. Financial Risk Management and Financial Instruments

23.1 Categories of financial instruments

	2024 R'000	2023 R'000
Current assets		
Cash and cash equivalents	108,028	58,927
Trade and other receivables from exchange transactions	138,527	101,387
	246,555	**160,314**
Current liabilities		
Trade and other payables from exchange transactions	134,002	98,358
	134,002	**98,358**

23.2 Credit Risk

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

GPAA considers its maximum exposure per class to be as follows, without taking into account any collateral and financial guarantees:

	2024 R'000	2023 R'000
Current assets		
Cash and cash equivalents	108,028	58,927
Trade and other receivables from exchange transactions	138,527	101,387
	246,555	**160,314**

Cash and cash equivalents

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

Receivables

Receivables are presented net of the allowance for doubtful debt.

Receivables are exposed to a low credit risk, as the bulk of receivables are mainly the Government Employees Pension Fund (GEPF), National Treasury, Associated Institutions Pension Fund (AIPF) and Temporary Employees Pension Fund (TEPF). The only amounts overdue are other receivables, which are insignificant. Refer to note 6 - Loans and Receivables.

23.3 Liquidity Risk

Liquidity risk is the risk that the GPAA will be unable to meet its obligations when they become due.

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

GPAA ensures it has sufficient cash on demand (the GPAA is currently maintaining a positive cash position) to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following liquid resources are available:

	2024 R'000	2023 R'000
Financial Assets		
Cash and cash equivalents	108,028	58,927
Trade and other receivables from exchange transactions	138,527	101,387
	246,555	**160,314**

Payables

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

The following are the contractual cash flows of financial liabilities:

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Total
	R'000	**R'000**	**R'000**	**R'000**
2024				
Trade and other payables	119,286	-	14,716	134,002
	119,286	**-**	**14,716**	**134,002**

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Total
	R'000	**R'000**	**R'000**	**R'000**
2023				
Trade and other payables	84,755	-	13,603	98,358
	84,755	**-**	**13,603**	**98,358**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

23.4 Market Risk

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

Interest rate risk

Interest rate risk is the risk borne by an interest-bearing asset or liability, due to variability in interest rates.

At the reporting date, the interest rate profile of the GPAA's interest-bearing financial instruments was:

	2024		2023	
	Fixed rate instruments	Variable rate instruments	Fixed rate instruments	Variable rate instruments
	R'000	R'000	R'000	R'000
Cash and cash equivalents	-	108,028	-	58,927
	-	108,028	-	58,927

Sensitivity analysis

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

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

	2024		2023	
Change in interest rate %	Upward	Downward	Upward	Downward
Prime	1,080	(1,080)	589	(589)

Currency risk

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

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

24. Prior period error

The prior year operating lease liabilities balance has been restated to reflect the split between the non-current and current balance of the liability amount as at 31 March 2023. In the prior year, the operating lease liability was fully classified as current liability without splitting and disclosing the amount between short and long term balance in the Statement of the Financial Position.

The impact of the above correction is as follows:

Description	Note	2023 Reported balance R'000	Restatement R'000	2024 Restated balance R'000
Statement of Financial Position				
Non-Current Liabilities		**-**	**165**	**165**
Operating lease liabilities	**24.1**	-	165	165
Current Liabilities		**1,963**	**(165)**	**1,798**
Operating lease liabilities	**24.1**	1,963	(165)	1,798
Total Liabilities		**1,963**	**-**	**1,963**

24.1 Operating lease liabilities

Non-current liabilities	**11**	-	165	165
Current liabilities	**11**	1,963	(165)	1,798
		1,963	**-**	**1,963**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

25. Related Party Transactions

25.1 Revenue and Trade Receivables

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

	Revenue		Net Receivable/(Payable)	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
GEPF	1,217,037	1,024,323	124,059	90,363
National Treasury (Programme 7)	62,389	62,394	5,841	5,081
AIPF	4,126	4,871	4,126	4,871
TEPF	183	154	183	154
Department of Military Veterans	150	-	150	-
	1,283,885	**1,091,742**	**134,359**	**100,469**

25.2 Expenditure and Trade Payables

Description	Expenditure		Balances	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Public Investment Corporation Limited	13,497	22,922	683	976
GEPF	-	-	35,948	10,103
	13,497	**22,922**	**36,631**	**11,079**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

25.3 Disclosure of Executive Remuneration

Name	Designation	2024			2023		
		Salary and allowances	**Bonus**	**Total**	**Salary and allowances**	**Bonus**	**Total**
		R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Khan, S.	Acting Chief Executive Officer	-	-	**-**	1,498	-	**1,498**
Madiehe, K.O.	Chief Executive Officer	2,388	-	**2,388**	1,090	-	**1,090**
Molebatsi, K.A.	Acting Chief Financial Officer	1,689	-	**1,689**	526	-	**526**
Coetzee, M.	Chief Information Officer	1,427	-	**1,427**	1,348	-	**1,348**
Kgoele, L.	Chief Risk Officer	1,393	-	**1,393**	1,359	-	**1,359**
Kemp, M.J.	General Manager: Human Resources	1,584	-	**1,584**	1,510	-	**1,510**
Mda, P.	Acting Chief Financial Officer	-	-	**-**	1,112	-	**1,112**
Mda, P.	General Manager: Finance	1,532	-	**1,532**	251	-	**251**
Nieuwoudt, L.	General Manager: Management Support	1,407	-	**1,407**	1,421	-	**1,421**
De Witt, E.	General Manager: Legal	1,579	-	**1,579**	1,517	-	**1,517**
Morar J.[1]	General Manager: Employee Benefits	826	-	**826**	1,599	-	**1,599**
Mpye, Y.	Acting General Manager: Employee Benefits	1,446	-	**1,446**	-	-	**-**
Madiehe, K.O.	General Manager: CRM	-	-	**-**	785	-	**785**
Morudu, E.	Acting General Manager: CRM	1,505	-	**1,505**	641	-	**641**
Mngqibisa, M.	General Manager: Non-Contributory Funds	1,653	-	**1,653**	1,598	-	**1,598**
Sennelo, M.	Chief Audit Executive	1,127	-	**1,127**	1,133	-	**1,133**
		19,556	**-**	**19,556**	**17,388**	**-**	**17,388**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

25.4 Audit Committee Members Remuneration

Name	Designation	2024			2023		
		Audit Committee	Risk Committee	Total	Audit Committee	Risk Committee	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Mzizi, P. S.	Chairperson	278	-	**278**	297	-	**297**
Sinthumule, A. F.	Member	278	-	**278**	336	-	**336**
Amod, A.	Member	26	138	**164**	-	-	-
De Kock, C.	Member	-	87	**87**	-	-	-
		582	**225**	**807**	**633**	**-**	**633**

26. Segment Reporting

The GPAA identified its reporting segments with reference to the clients for which the GPAA administers pension funds. For these purposes, two reporting segments were identified, namely: Government Employees Pension Fund (GEPF) administered on behalf of the GEPF; and National Treasury, which consists of Civil and Military Pensions, AIPF and TEPF which are administered on behalf of the National Treasury.

The information is measured on an accrual basis, similar to the way in which the budget is prepared. Non-current assets, inventory, prepayments, cash, other income, depreciation and amortisation, and profit/loss on sale of assets are not allocated to specific reporting segments. Cost per reporting segments for these items is not currently available, hence no allocations were provided. The work still needs to be done to allocate the costs related to these items. Segment Reporting is disclosed in Note 24 to the Financial Statements.

26.1 Statement of Financial Position per Segment

	Notes	2024				2023			
		GEPF	National treasury	Items not allocated to segments	Total	GEPF	National treasury	Items not allocated to segments	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Non-Current Assets		-	-	197,638	197,638	-	-	214,091	214,091
Current Assets		124,056	10,304	135,020	269,380	90,345	10,124	64,948	165,417
TOTAL ASSETS		**124,056**	**10,304**	**332,658**	**467,018**	**90,345**	**10,124**	**279,039**	**379,508**
Non-Current Liabilities		23,307	81	-	23,388	-	-	-	-
Current Liabilities		157,634	3,969	1,360	162,963	116,601	3,756	3,323	123,680
Accumulated Surplus		-	-	280,667	280,667	-	-	255,828	255,828
TOTAL LIABILITIES AND RESERVES		**181,941**	**4,050**	**282,027**	**467,018**	**116,601**	**3,756**	**259,151**	**379,508**

26.2 Statement of Financial Performance per Segment

	Notes	2024				2023			
		GEPF	National treasury	Items not allocated to segments	Total	GEPF	National treasury	Items not allocated to segments	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions		**1,217,037**	**66,848**	**6,179**	**1,290,064**	**1,024,325**	**67,417**	**4,182**	**1,095,924**
Administration fees		1,217,037	66,848	-	1,283,885	1,024,325	67,417	-	1,091,742
Other income		-	-	6,179	6,179	-	-	4,182	4,182
Expenditure		**1,071,048**	**66,109**	**128,068**	**1,265,225**	**939,389**	**67,001**	**136,700**	**1,143,090**
Personnel remuneration		525,566	64,214	-	589,780	482,950	62,946	-	545,896
Depreciation and amortisation		-	-	128,068	128,068	-	-	136,700	136,700
Other operating expenses		545,482	1,895	-	547,377	456,439	4,055	-	460,494
Surplus/(Deficit) for the period		**145,989**	**739**	**(121,889)**	**24,839**	**84,936**	**416**	**(132,518)**	**(47,166)**

the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

Government Pensions Administration Agency | Annual Report 2023/2024 | RP280/2024 ISBN: 978-1-77997-250-7

enquiries@gpaa.gov.za

www.gpaa.gov.za

012 319 1911