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ANNUAL REPORT

VOTE NO. 11



the cpsi

Government Component:
Centre for Public Service Innovation
REPUBLIC OF SOUTH AFRICA



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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
AC	Audit Committee
AO	Accounting Officer
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
CAE	Chief Audit Executive
CFO	Chief Financial Officer
CPSI	Centre for Public Service Innovation
CSIR	Council for Scientific and Industrial Research
DCDT	Department of Communications and Digital Technologies
DevCon	Developer Convention
DPME	Department of Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
ED	Executive Director
EE&SM	Enabling Environment and Stakeholder Management (Unit)
EXCO	Executive Management
GEMS	Government Employees Medical Scheme
GIAS	Global Internal Audit Standards
GNU	Government of National Unity
HOD	Head of Department
HR	Human Resources
HSRC	Human Sciences Research Council
IAF	Internal Audit Function
LCC	Loss Control Committee
MTSF	Medium-Term Strategic Framework
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
MOIN	Mission-Oriented Innovation Network
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NGO	Non-Governmental Organisation
NSI	National System of Innovation
OECD	Organisation for Economic Co-operation and Development
OPSI	Observatory of Public Sector Innovation Public Finance
PFMA	Management Act
PSI	Public Sector Innovation
R&D	Research & Development
RFQ	Request for Quotation
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprises
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMS	Short Message Service
TDH	Tshwane District Hospital
UN	United Nations
UNU	United Nations University
Wits	University of the Witwatersrand

3. FOREWORD BY THE MINISTER



Inkosi Mzamo Buthelezi
Minister for the Public Service and Administration

Background

The Centre for Public Service Innovation (CPSI) is a government component located within the Ministry for the Public Service and Administration. It acts as a cross-cutting facility that encourages and fosters a culture of innovation throughout the public sector.

In this annual report, we broadly reflect on the work of government, our Ministry for the Public Service and Administration, and more specifically, the CPSI that was carried out during the 2024/25 financial year. This report also marks the final year of implementing the 2020–2025 Strategic Plan, which focused on building a capable, ethical, and developmental state.

Furthermore, the 2024/25 financial year was an election year in our country, marking the conclusion of the five-year term of the 6th Administration and the beginning of the 7th Administration under the Government of National Unity (GNU). This also had significant implications for our work as a government, especially in light of the rapidly approaching 2030 deadline set in Vision 2030 of the National Development Plan (NDP) and of the Sustainable Development Goals.

The 6th Administration was guided by the Medium-Term Strategic Framework (MTSF) 2019-2024. This strategic framework was developed to steer the whole of government towards meeting the priorities outlined in the NDP to address the triple challenge of unemployment, poverty, and inequality. The NDP stresses the importance of galvanising our efforts to grow an inclusive economy, build capabilities, strengthen the capacity of the state, promote leadership, and establish strong cross-sectoral partnerships to achieve Vision 2030.

The MTSF focused on seven key priorities that also address the needs of women, youth, and people with disabilities, which are essential in our efforts to improve citizens' lives, along with specific actions and targets related to these areas, namely:

- A capable, ethical and developmental state
- Economic transformation and job creation
- Education, skills and health
- Consolidating the social wage through reliable and quality basic services
- Spatial integration, human settlements and local government
- Social cohesion and safe communities
- A better Africa and world

These key priorities formed a basis on which all programmes and policies across all government departments and agencies would be directed in pursuit of the overall commitment of a better life for all as envisaged in the NDP.

Broad Government Achievements

Building on the many achievements we have realised over the years and driven by our strong determination to meet our developmental goals, government continued to make significant progress in several key areas during the year in review. This includes, among other things, implementing robust interventions and policies aimed at reducing poverty, creating jobs, and fostering inclusive and transformational economic growth to ensure a fair and equitable distribution of wealth and opportunities.

As an example, government continued to expand the social grant system to include more children, the elderly, and people living with disabilities, while also providing relief to millions of unemployed youth – thereby pushing the frontiers of poverty. Additionally, more programmes have been introduced to ensure increased access to proper housing, electricity, potable water, healthcare, and education.

To help accelerate service delivery, government continued with Operation Vulindlela, a government-wide initiative that has been crucial in supporting and driving reform. In its second phase, this major operation will specifically target the local government system with reforms aimed at improving the delivery of basic services and harnessing digital public infrastructure as a catalyst for growth and inclusion.

Furthermore, progress is being made in implementing the Digital Transformation Roadmap to ensure the swift delivery of e-enabled services to our citizens in a coordinated way.

The Public Service and Administration Portfolio

The Public Service and Administration Portfolio acts as the service delivery engine of the state machinery. Beyond policy making and capacity building for the public sector, the portfolio's work includes driving transformative measures that would lead to a new, innovative, accessible, and capable public service. These key qualities align with the principles of the Constitution of the Republic to “*provide [an] effective, transparent, accountable and coherent government,*” which is most importantly development-oriented.

The work of the portfolio finds expression in the National Development Plan (NDP), which calls for a development-oriented public service that supports radical socio-economic transformation.

Accordingly, the portfolio has maintained its focus on specific outcomes, namely, service delivery quality and access; human resource management and development; accountability; effectively combating corruption; nation-building and fostering national identity; citizen participation; and social cohesion.

The Public Service Code of Conduct requires us to uphold a standard of professional ethics in the public service that is beyond reproach, meaning the public service must be free from corruption and maintain professional standards.

The public service is the engine of a capable, ethical and developmental state. Therefore, it must be continually modernised to ensure it remains effective and efficient in its operations.

Therefore, there is a pressing need for continuous efforts to professionalise the public service so that it remains ethical and completely resistant to corruption. Additionally, the public service must be modernised to attract young people as a preferred employer. This involves implementing key human resource development, skills, and capacity-building initiatives to support its transformation and modernisation. The NDP highlights the importance of a development-oriented Public Service that fosters radical socio-economic transformation.

The Centre for Public Service Innovation (CPSI)

In line with its mandate, the CPSI is responsible for fostering a culture and practice of innovation in the public sector, primarily to enhance service delivery. This is achieved through identifying, encouraging, rewarding, showcasing, piloting, and facilitating the replication and integration of innovation into the public sector.

Innovation in the public sector is based on existing service-delivery challenges rather than occurring spontaneously. Importantly, it can only be demonstrated through the quality of solutions that are identified and developed to address those specific challenges. A key objective for the CPSI is to continue promoting the development of solutions by innovators, both within and outside the government.

During the period under review, the CPSI successfully met all targets aligned with the specified outcomes.

One of its key objectives is to create a government-wide environment that enables and nurtures the growth of innovation among various public sector institutions. Vision 2030 of the NDP clearly highlights the importance of such an enabling public sector environment that fosters collaborative innovation across the state, business, and social sectors, aimed at enhancing government performance to realise the developmental agenda. Central to this is the NDP's emphasis on the critical need for strong inter-governmental relations to ensure integrated, collaborative, and seamless service delivery at all levels.

In line with its core values, the CPSI values and maintains collaborative partnerships with other key public-sector institutions and entities both within and outside the Portfolio; the private sector and non-governmental organisations (NGOs); the South African National System of Innovation (NSI); as well as key global players within the field of public-sector innovation. Of particular importance is the collaboration with the NSI, which includes science councils such as the Human Sciences Research Council (HSRC) and the Council for Scientific and Industrial Research (CSIR); universities; incubators; agencies; and beneficiaries (small, medium and micro-sized enterprises – SMMEs) of the work carried out by these entities.

The promotion of collaborative partnerships aligns with the NDP, which advocates for strengthening intergovernmental relations to enable integrated, collaborative, and seamless service delivery at all levels. The NDP also highlights the importance of a National System of Innovation that influences the culture of the public service, business, and society, ensuring South Africa's competitiveness.

Our Achievements

During the year under review, the CPSI continued its programmes to support the portfolio in building an effective and efficient public sector through innovation.

Accordingly, CPSI continued aligning its business and operational model with those of other key sectors within the Portfolio and beyond: to support them in achieving their outcomes through more effective and innovative approaches, processes, and systems to ensure that we make an impact where it matters most, particularly where it positively improves the lives of the citizens of this country.

CPSI once again received a clean audit from the Auditor-General, demonstrating the organisation's strong governance, including robust internal controls. The CPSI continued to foster a strong culture of good governance, including its impressive 30-day payment record that it has maintained.

Following President Ramaphosa's lead on youth empowerment, we have broadened this open innovation partnership to include collaboration with youth initiatives such as hackathons and digital literacy programmes (for the 4IR). This aims to not only harness the creativity of young people to address public-sector challenges but also to develop essential digital skills for future public servants. Additionally, the CPSI has successfully expanded its staff through innovative reprioritisation of its goods and services budget towards employee compensation. The CPSI now employs two permanent system developers, among others.

Testing and piloting of new and innovative solutions are key objectives of the CPSI. They are also a vital part of CPSI's work, which aims to develop new solutions for service-delivery challenges. An additional adjustment was made to enable a more phased approach, recognising that most projects are multi-year initiatives. This adjustment was necessary because the risks linked to more complex projects require a stage-gate process, where decisions on project viability are made at key development stages. To support this, the CPSI continues to foster a government-wide community of system developers to promote the use of in-house built solutions rather than outsourcing.

The CPSI's service-delivery value chain remains integrated with the Annual Public Sector Awards Programme that continues to serve as the primary mechanism for encouraging innovation activities and unearthing existing innovations for sharing and replication.

As a result, the CPSI continued hosting vibrant knowledge platforms and products to promote sharing and learning. These platforms play a vital role in fostering and maintaining the culture and practice of innovation in the public sector. International knowledge platforms provide the global context to ensure that South Africa remains relevant and stays informed about new developments in the innovation space.

Challenges for the Period under Review

The CPSI faced several persistent and emerging challenges that affected operations and long-term planning. The most significant challenge remains the long-standing vacancy in the position of Executive Director. The post has been vacant for several years. While the organisation has continued to function effectively under acting leadership, the absence of a permanent Accounting Officer has impacted strategic continuity and executive oversight. The recruitment process for a permanent

Executive Director is in progress and is expected to be completed before the end of the 2025/26 financial year. This appointment will bring stability and facilitate long-term leadership planning.

The condition of the office accommodation also posed challenges during the year. The allocated office space at the DPSA heritage building experienced structural deterioration, mainly due to water leaks that affected ceilings and flooring. These conditions not only present occupational health and safety risks but also disrupt operational continuity. The CPSI continues to engage the Department of Public Works and Infrastructure (DPWI) to expedite the procurement and allocation of a suitable and compliant building to ensure the safe and efficient continuation of services.

Furthermore, the long-standing underfunding of the CPSI continues to limit its scope and scale of work. Although the organisation has consistently met its mandate within available resources, the budget ceiling restricts how much the CPSI can expand its support for innovation, replication efforts, and sector engagement. Given the current fiscal constraints across the public service, the CPSI remains dedicated to seeking alternative funding sources and partnership models to supplement its core funding and maintain its operations.

Strategic Focus over the Medium- to Long Term

We will continue to promote the co-development, implementation, and replication of innovative service delivery solutions, as well as foster an enabling culture that encourages innovation within service delivery institutions and departments. This aligns, most importantly, with the third priority of the 7th Administration to build a capable, ethical, and developmental state, with a particular focus on leveraging innovation to:

- Improve the effectiveness and efficiency of government systems, structures, and processes for improving performance and productivity; and
- empower public officials with the necessary and contemporary skills and knowledge for improved and competitive performance.

I would like to thank Ms Lydia Sebokedi, who has served as the Executive Director for an extended period and managed the organisation with her competent EXCO during a time of uncertainty.

I hereby present the 2024/25 Annual Report for the Centre for Public Service Innovation.



Inkosi Mzamo Buthelezi
Minister for the Public Service and Administration
Date: 02/09/2025

4. DEPUTY MINISTER STATEMENT



Ms Pinky Kekana
Deputy Minister for the Public Service and Administration

This Annual Report provides a comprehensive account of the work of the CPSI for the 2024/2025 financial year.

The CPSI is a key government component within the Public Service and Administration Portfolio. Rather than working in isolation, it collaborates with other institutions in the portfolio to help fulfil its mandate of developing an effective and efficient public service. Guided by this mandate, the CPSI encourages innovation and inventive thinking to help reengineer and modernise various government processes and systems, including service delivery, administration, and governance, for improved performance and productivity. This is fundamentally based on the CPSI's vision of a solution-oriented public service.

The mandate of the CPSI, as outlined in the Public Service and Administration Act of 1994 (as amended and further expanded on Notice 700 of 2011), assigns it the strategic responsibility to promote, embed, and cultivate a culture and practice of innovation across the public sector for enhanced performance and productivity.

The CPSI recognises and, importantly, values the profound impact and unlimited potential of creativity as a credible source of viable novel solutions to address the numerous service delivery challenges and government's priority outcomes as outlined in the NDP and the Medium-Term Strategic Framework (MTSF). These two documents serve as a key reference point for the work of the CPSI, ensuring that innovation remains purpose-driven rather than occurring in a vacuum.

The work of the CPSI can be effectively summarised through several key focus areas, namely identifying, encouraging, rewarding, showcasing, piloting, and facilitating the replication and mainstreaming of innovation in the public sector.

Looking back at the 2024-2025 financial year under review in this Annual Report, the CPSI has continued successfully implementing its various key high-impact programmes and initiatives as outlined in its Annual Performance Plan in fulfilment of its strategic mandate.

Among these is the Public Sector Innovation Awards programme, which is hosted annually to encourage, showcase, and reward innovation in the form of high-impact solutions and projects that have led to significant improvements in key areas of service delivery for the benefit of citizens. The 2024 Public Sector Innovation Awards programme was merged with the Department of Public Service and Administration's Batho Pele Service Excellence Awards for efficiency, demonstrating the value of interdepartmental collaboration as a cost-containment measure.

Another key initiative that the CPSI hosted is the Public Sector Innovation Conference, in its 18th year. The annual event, held in eThekweni in the province of KwaZulu-Natal, is a vital networking and learning

platform that offers a unique opportunity for public servants across the three spheres of government, as well as representatives from academia and civil society and to exchange knowledge and expertise. The Conference allowed delegates to collectively explore new and innovative trends, such as digital transformation, to modernise the public service for accelerated impact. The conference, along with other essential workshops and forums, some of which are international, also contributes significantly by encouraging a cross-pollination of expert ideas.

The importance of innovation in building government capacity for optimal functioning cannot be overstated. Innovation should therefore be central to a transforming public sector. This, in essence, highlights the significance of the CPSI as a thought leader and catalyst of innovation in the public sector.

Regardless of its location and size, which are significant challenges in themselves, the CPSI must pursue this strategically critical work by often exceeding expectations and serving as a strategic government facility with broad reach and influence that crosses institutional boundaries. It extends across the national, provincial, and local levels of government to promote innovation as a catalyst for improved public sector efficiency.

The work of the CPSI has heightened our awareness of the unparalleled importance of innovation in empowering communities with better access to quality services.

The Public Service and Administration Portfolio praises the CPSI for its vital role in leading the push for innovation in the public sector.

Furthermore, we recognise the need to support the CPSI in its efforts to foster a supportive environment and fertile ground for innovation through the development of innovation-friendly policies and other support mechanisms.

Innovation remains one of the key strategies to help our country overcome numerous socio-economic challenges faced by our people and to deliver value in terms of quality services.

I reaffirm my commitment to support the CPSI and its initiatives moving forward.



Ms Pinky Kekana
Deputy Minister for the Public Service and Administration
Date: 31/08/2025

5. REPORT OF THE ACCOUNTING OFFICER



Ms Lydia Sebokedi
Accounting Officer (CPSI)

Introduction

This Annual Report reviews the work of the Centre for Public Service Innovation for the 2024/25 financial year, which ended on 31 March 2025. The 2024/25 financial year, as examined in this Annual Report, marks the final year of the CPSI's 2020-2025 Strategic Plan.

This strategic plan is guided by the strategic mandate of the Public Service and Administration Portfolio. This portfolio aims to build an efficient, effective, and development-oriented public service, fostered by an empowered, fair, and inclusive citizenry.

As a valued member and key participant within this portfolio, the CPSI fully supports the overall mandate of the portfolio to enhance the capacity of the public service to deliver services to the citizens of this country. Its vision to contribute towards building a solution-focused, effective, and efficient public service through innovation is based on the provisions of the Public Service Act.

Our Mandate

The work of the CPSI is guided by its strategic mandate, which is derived from the Public Service Act that assigns responsibility for Public Service Innovation to the Minister. This mandate, as further outlined in *Government Notice 700 of 2 September 2011*, authorises the CPSI with a key duty to foster the culture and practice of innovation within the public sector to enhance service delivery to citizens. The CPSI achieves this by means of the following:

- advancing needs-driven research and development
- unearthing, demonstrating, sharing on, encouraging and rewarding innovation
- testing, piloting, incubating new innovations and supporting the replication of innovative solutions
- partnering with public, private, academic, and civil society sectors on supporting the mandate of the CPSI

Our organisation's work is clearly defined by a strong commitment to uncover, promote, and showcase innovation in the public service, aiming to foster an innovation-friendly environment that allows public officials to leverage innovation to improve our government and accelerate the realisation of Vision 2030.

In dispatching this unique and strategic mandate, the CPSI models its operations based on a strong belief in the importance of innovation as a crucial pillar supporting public sector reform and transformation. Innovation is a proven enabler and catalyst for enhancing public service performance and productivity and serves as a driving force for economic and social development.

It is for this reason that the CPSI continues to utilise various programmes as outlined in its strategic plan, to positively influence the uptake and adoption of innovation as an enabler and vital component of improved service delivery to citizens.

OUR WORK DURING THE 2024/25 FINANCIAL YEAR

The work of the CPSI, as outlined in our mandate, can be divided into three sub-programmes that promote the co-development, implementation, and replication of innovative service delivery solutions, as well as foster an enabling culture that encourages innovation within service delivery institutions and departments.

Our Key Highlights

During the year under review, the CPSI completed several key programmes, which will be discussed in greater detail later in this report. The main highlights of the year are outlined below.

Corporate Services

One of the notable highlights in programme one is the progress we made in reducing payment periods for suppliers.

For some time, the government has faced the daunting challenge of late payments to service providers. This has caused unprecedented delays in the development of SMMEs in the country, leading many small businesses to close due to cash flow issues. During the year under review, the CPSI delivered impressive results, consistently remaining well below the 30-day threshold.

This improvement was mainly due to a combination of factors, including enhanced invoice processing through digital workflows and stronger financial controls and monitoring. Additionally, we take pride in the organisational culture of prompt invoice processing.

Furthermore, for the first time, the CPSI appointed a risk management officer. This role was initially handled by the DPSA through a shared services agreement, but due to increasing workload on the DPSA Risk Management Unit, the service was outsourced. The appointment was made possible by reallocating funds from goods and services to employee compensation.

Despite budget constraints, the number of funded posts increased from 31 in 2023/24 to 33 by the end of March 2025. At the end of the reporting period, the vacancy rate stood at 6%.

Research and Development

During the period under review, the R&D unit continued its remarkable efforts to use research and development capacity for exploring new and innovative trends and developments that could potentially enhance the effectiveness and efficiency of the public service in its various operations.

Through the hard work of the unit, the following highlights can be reported on:

- Work on the multi-year project, Planned Patient Transfer Solution, in collaboration with **Gauteng Emergency Services**, continued with the final iteration ready for piloting and implementation in the new financial year under the new name **Gauteng Health Link**.

Participating in the Interdepartmental Working Group (IDWG) on Digital Transformation of the Public Sector to ensure alignment with the broader Digital Public Infrastructure (DPI) approach adopted by DCDT and the Presidency. This will enable access to a broader data infrastructure, identity management and transactional capabilities. Being part of the digital transformation roadmap for the country will further enable strategic alignment of activities with the national strategy.

- Hosting a **Developer Convention (DevCon)** parallel to the Annual Public Sector Innovation Conference, bringing together 50 developers and analysts from across the public sector to

engage in sharing solutions, approaches, code, cybersecurity, data tools, and future collaboration.

- Through its partnership with the Gauteng Innovation Hub, the CPSI, for the first time, placed MICT SETA interns. The internship brings with it additional system development capacity, to support both internal digital transformation projects and external client departments.
- The CPSI, in partnership with the UNU, DPSA and Wits, hosted **ICEGOV2024, a premier international research, academic and practitioner conference on eGovernance** from 1 to 4 October 2024. The event featured world-class keynote lectures, highly informative and captivating discussion panels, paper sessions, roundtable discussions, a doctoral colloquium, and workshops. It was very well attended, attracting a total of 330 delegates from 49 countries, including representatives from government, academia, civil society, international organisations/NGOs, and industry.
- The *Northern Cape Virtual Thusong Centre* project, our second multi-year project, was amalgamated with other provincial **citizen portal initiatives** and the broader Digital Public Infrastructure Roadmap of the Presidency in order to leverage provincial and national resources. An agreement was reached with the Western Cape Department of the Premier, for them to lead the development based leveraging existing work. Planning and scoping of the project were completed in Q4, with the development of the citizens' portal set to commence in Q1 of 2025/26. Despite the delays, this approach will ensure that the solution aligns with the national strategy and is designed for scaling across provinces.

Institutional Support and Replication

This unit collaborates with various government institutions across all three spheres to promote the replication of highly impactful innovative service delivery solutions. Replicating innovative solutions throughout government prevents unnecessary wastage of resources on off-the-shelf solutions and also accelerates service delivery to citizens.

Some of the highlights of the division for the year under review include the following:

- **The CPSI continued to support Tshwane District Hospital (TDH)** to replicate the High-Volume Cataract Innovation Project. Following a visit by CPSI and TDH officials to the Eerste River Hospital (ERH) in the Western Cape for training and implementation needs, doctors from ERH helped TDH set up the designated operating theatre after the necessary medical equipment was procured. The project will help TDH reduce a significant backlog by increasing the number of operations performed.
- The CPSI supported the Barberton Correctional Facility to replicate the **Smart Agriculture Boxes Project**. Accordingly, the CPSI procured and delivered smart boxes at two replication sites in the Free State and Mpumalanga provinces, respectively, for training and implementation.
- The CPSI facilitated the enhancement of the **Global Green Mobile App**. The App was officially handed over by the Minister for the Public Service and Administration to the Free State Department of Health in November 2024. Furthermore, the CPSI procured tablets that were distributed to 15 hospitals where this innovation is being implemented.
- The CPSI also facilitated the development of a **file management and retrieval system** for Tambo Memorial Hospital in collaboration with students from the University of Johannesburg. The CPSI is working to strengthen this relationship to collaborate annually with students on developing digital solutions for service delivery institutions as part of their academic activities.

Enabling Environment and Stakeholder Management (EE&SM)

During the year under review, under the EE&SM unit, the CPSI continued to play a critical role in this regard.

- The CPSI hosted the **18th Annual Public Sector Innovation Conference** in August 2024 in KwaZulu-Natal under the theme: *Accelerating Transformation through Mission-Oriented Innovation*. The theme reiterated the urgent need to be a mission-oriented government that focuses on impactful, goal-oriented programmes targeting social challenges. The conference was a significant success, exposing delegates to high-quality presentations on mission-oriented approaches by, amongst others, the OECD, MOIN, WITS School of Governance and the Presidency, as well as robust and captivating discussions which were highly informative. As mentioned, the first public sector Developer Convention (DevCon) was held parallel to the leading conference. This initiative brought together 50 developers and analysts from across the public sector to engage on solutions, approaches, cybersecurity, data tools, and future collaboration.
- The inaugural merged **Batho Pele and Innovation Awards** Ceremony organised by the CPSI and DPISA was held in November 2024. During the event, teams and individuals in the Public Sector were recognised and rewarded for service excellence and innovative solutions. The CPSI's replication programme will continue to support the replication and scaling of these solutions. Though CPSI's annual innovation awards initiative was launched under the name *Annual CPSI Public Sector Innovation Awards Programme*, it was subsequently hosted and branded as the National Batho Pele and Innovation Awards (NBPIA). This report reflects the latter name for consistency, though both refer to the same programme.
- Six **Design Thinking and Innovation workshops** were conducted for public service officials, including award finalists. These workshops aim to capacitate public officials from various departments in all three spheres of government on using modern tools such as systems and design thinking to solve service delivery challenges. They form part of our effort to nurture an enabling environment for innovation in the public sector. These workshops were conducted in partnership with the Offices of Premiers and other institutions such as the Public Protector and the NPA.

International Platforms

- The CPSI participated in the OECD-OPSI Country Contact Point meeting in April 2024, where countries engaged on the latest developments in public sector innovation and transversal topics such as mission-oriented innovation, behavioural insights, and measurement, monitoring and evaluation of innovation. The CPSI also actively participated in the Measurement Working Group.
- The CPSI was invited by the UN to contribute to a workshop on Systems Thinking, Strategic Foresight and Innovation, held as part of the UN Public Service Forum and Awards in June 2024. During the event, one of the 2023 Public Sector Innovation Awards winning projects, the Western Cape Digital Inclusion Project, was recognised as one of five UN Public Sector Innovation Awards winners.

Challenges

Below are some of the persistent challenges that the CPSI dealt with during the period under review.

- Existing cost pressures linked to statutory compliance and responding effectively to its mandate are emphasised. These are pressures that cannot be accommodated within the

baseline allocations. To mitigate against this, during the 2024 MTEF, funds were strategically re-allocated from goods and services to compensation of employees to create additional capacity, including the appointment of system developers. The CPSI's expenditure ceiling is flat, with minimal room for significant internal reprioritisation.

- The approved CPSI structure is still not fully funded, leading to capacity constraints. The desired impact will be achieved by having project management and systems development capacity to respond to the current and growing future demand for services, in particular in support of digital transformation and the replication of in-house developed solutions.
- The current office space remains one of the key challenges that the organisation faces. The Multi-media Innovation Centre remains closed due to the lack of sufficient and appropriate space. Persistent water leakages and resultant damage have also affected operations, and the situation is worsening. In this regard, the CPSI, through DPWI, is in the process of securing suitable offices.

Conclusion

The CPSI will continue to inculcate the culture and practice of innovation in the Public Sector to solve service delivery challenges. Most importantly, we will continue to encourage a consolidated commitment by frontline departments to leverage innovation as a fulcrum for improved citizen access to vital government services.

- Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	2	5	(3)	8	4	4
Financial transactions in assets and liabilities	63	68	(5)		1	(1)
Total	65	73	(8)	8	5	3

For the 2024/25 financial year, the CPSI collected total departmental receipts amounting to R72,536.67, exceeding the projected revenue target of R65,000. The over-collection of R7,536.67 (11.59%) was primarily due to the recovery of a prior-year loss amounting to R10,439.55 related to the replacement of a stolen laptop, which had previously been recorded as expenditure. The difference between the full recovery amount and the over-collection (R2,902.88) is attributable to higher-than-expected commission income on insurance deductions.

The CPSI does not charge standard tariffs for goods or services rendered. Revenue is primarily incidental in nature, derived from sources such as commission on garnishee orders and recoveries of prior-year losses. As such, the organisation does not have a tariff policy in place, and no formalised pricing models are applied. No services that could have generated revenue through tariffs were rendered free of charge during the reporting period, and there were no foregone revenue opportunities to report.

Departmental revenue collection is monitored monthly through BAS reporting, and performance against projections is reviewed as part of routine financial oversight. No bad debts were written off during the 2024/25 financial year, and the CPSI did not sell any capital assets during the reporting period.

To further support efficient revenue handling, internal processes related to recovery tracking and documentation of incidental receipts were reviewed during the year. This includes enhanced controls around losses, and where applicable, recoveries are pursued and accounted for promptly. Going forward, the CPSI will continue to strengthen its internal recovery mechanisms and ensure accurate projection of incidental receipts for budgeting purposes.

Programme Expenditure

Programme Name	2024/2025			2023/2024		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	24,439	20,337	4,102	21,829	20,532	1,297
Programme 2: Public Sector Innovation	23,500	21,413	2,087	24,065	23,732	333
Total	47,939	41,750	6,189	45,894	44,264	1,630

Expenditure Summary and Comparison

The CPSI was allocated a final appropriation of R47.939 million for the 2024/25 financial year. Actual expenditure amounted to R41.750 million (87.1%) excluding pre-payments, resulting in an under-expenditure of R5.483 million (12.9%). In comparison, for the 2023/24 financial year, CPSI's final appropriation was R45.894 million, with actual spending of R44.264 million, reflecting an under-expenditure of R1.630 million (3.55%).

At programme level:

- **Programme 1: Administration** spent R20.337 million of the R24.439 million appropriated, resulting in an under-expenditure of R4.102 million (16.80%).
- **Programme 2: Public Sector Innovation** spent R21.413 million of R23.500 million, with an under-expenditure of R2.087 million (8.88%).

The under-expenditure is mainly attributable to Compensation of Employees (R3.373 million), due to two vacant positions at year-end. Delays in procurement and finalisation of awards prizes, lower operational expenses (e.g. computer services, training), and savings from the merged Awards Ceremony (shared costs with DPSA) also contributed.

Corrective measures include ongoing digitisation of workflows, improved procurement planning, timely alignment of replication project expenditure, and continued efforts to fill critical vacancies early in the financial year.

Virements and Rollovers

No virements were processed during the reporting period. A roll-over request for unspent funds was submitted to the National Treasury in anticipation of the CPSI's planned relocation to alternative office accommodation.

Unauthorised, Fruitless and Wasteful Expenditure

There were no cases of unauthorised expenditure.

Confirmed Fruitless and Wasteful Expenditure:

During the period under review, the CPSI had four confirmed cases of fruitless and wasteful expenditure amounting to R15,997.57. These cases were reviewed by the Loss Control Committee (LCC), and appropriate recommendations for recovery and/or consequence management were made, as outlined below:

- **R6,657.25** – The incident originated from a missed flight within the Enabling Environment and Stakeholder Management unit, which resulted in additional expenses for an extra day of accommodation and shuttle services. The expenditure was deemed fruitless and wasteful as the flight was charged as a no-show. The matter was reported to the Accounting Officer and National Treasury. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.
- **R4,485.25** – This amount resulted from unauthorised changes to flight bookings, leading to additional charges due to a lack of prior confirmation with the Travel Agent or Finance Unit. The Loss Control Committee found no evidence of fraud or misconduct and attributed the incident to procedural oversight. Consequence management included a written warning to the travel Booker and verbal warnings to the affected officials. The write-off was recommended by Legal Services, the CFO, and the Loss Control Committee, and approved by the Executive Director in line with Treasury Regulation 12.6.1.
- **R2,237.69** – The fruitless expenditure resulted from a missed flight within the Enabling Environment and Stakeholder Management unit for the Communication and Stakeholder Training scheduled on 2 December 2024. The airline charged the full amount for the flight as a no-show, as the traveller checked in after the scheduled departure time. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.
- **R2,617.38** – Non-refundable duplicate flight tickets that were cancelled too late to recoup costs. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.

Strategic Focus Over the Short to Medium Term

Over the short to medium term, the CPSI will continue to position itself as a catalyst for systemic public sector transformation through innovation. The organisation's strategic priorities are guided by its mandate to entrench a culture of innovation within the public service and contribute meaningfully to improved service delivery outcomes. The following core focus areas will shape CPSI's trajectory over the next planning period:

- **Scaling Innovative Solutions through Replication and Partnerships:** CPSI will intensify efforts to identify, document, and replicate innovations across the three spheres of government. Through structured replication initiatives and peer learning platforms, successful solutions will be scaled to departments and entities facing similar service delivery challenges. The organisation will also strengthen partnerships with innovation champions, pilot sites, academic institutions, and private-sector collaborators to accelerate uptake and sustainability of innovations.
- **Supporting Innovation Capacity in the Public Sector:** In response to widespread capability gaps and the need for agile, future-fit public servants, CPSI will focus on building innovation capacity within departments through technical support, collaboration mechanisms, and training programmes. Efforts will be made to mainstream innovation practices, embed critical thinking skills, and promote experimentation in service design. The organisation will also enhance the role of the Public Sector Innovation Awards and other knowledge-sharing platforms as mechanisms to motivate, reward and institutionalise innovation.

- **Advocating for a Formal Innovation Policy Mandate and Funding Mechanism:** To enable sustained impact, CPSI will advocate for a more formalised and well-resourced innovation architecture within the public service. This includes pursuing a legislative or policy mandate that secures its position as the coordinating body for public sector innovation and seeking the establishment of a dedicated innovation fund. Such developments would ensure long-term institutional stability, broaden CPSI's ability to support projects at scale, and align innovation resourcing with national developmental priorities.
- **Strengthening Digitisation and Innovation Policy Platforms:** Recognising the critical role of digital transformation in service delivery improvement, CPSI will contribute to the development of mechanisms that support government-wide innovation and digitisation. Internally, the organisation will continue to digitise its own systems and promote low-cost, high-impact digital tools for back-office improvement and frontline delivery. It will also provide strategic input into cross-government digitisation programmes, aligning innovation with modern governance imperatives such as e-government, data-led decision-making, and artificial intelligence.

This strategic focus ensures that CPSI remains responsive, relevant, and aligned with the evolving priorities of the state. It also enables the organisation to support the broader transformation of the public sector into a capable, ethical, and developmental state.

Public-Private Partnerships

No PPPs were entered into or reported during the financial year.

Discontinued Key Activities

No major activities were discontinued in 2024/25. However, implementation of selected projects was deferred pending funding and relocation logistics.

New or Proposed Key Activities

The CPSI employed two system developers to support internal digital solutions. This enhances capacity for automating core processes (e.g., e-leave, demand and supply management). Financial implications were accommodated through compensation reprioritisation.

Supply Chain Management

No unsolicited bid proposals were concluded during the 2024/25 financial year. All procurement followed prescribed SCM processes, including requests for quotations and approved deviations where necessary.

The department maintains internal SCM controls, including segregation of duties, compliance reviews, and pre-approval requirements. No significant irregular expenditure was incurred.

Challenges included delayed RFQs and supplier unavailability. These were mitigated by tighter planning and early market assessments.

Gifts, Donations, and Sponsorships Received (In Kind)

The CPSI acknowledges with appreciation the support received through in-kind sponsorships from various stakeholders during the 2024/25 financial year. These sponsorships contributed meaningfully

to the success of the 18th Public Sector Innovation Conference, the Annual CPSI Public Sector Innovation Awards Programme, and international innovation engagement platforms. The total value of sponsorships received in kind was R608,000, comprising the following:

- R38,000 sponsorship from the United Nations, supporting CPSI's participation in the United Nations Public Service Forum.
- R147,000 in-kind sponsorship from Amazon Web Services, covering cloud services for testing and piloting digital solutions, as well as speaker participation and raffle gifts for the 18th Public Sector Innovation Conference.
- R18,000 sponsorship from the African Association for Public Administration and Management (AAPAM), covering travel costs for adjudication of the AAPAM Innovation Awards.
- R26,000 in-kind sponsorship from Ikasi Solutions, contributing to exhibition counters at the 18th Public Sector Innovation Conference.
- R80,000 in-kind sponsorship from the Government Employees Medical Scheme (GEMS), supporting the GEMS Wellness Zone at the 18th Public Sector Innovation Conference.
- R45,000 in-kind sponsorship from Legal Interact for speaker gifts at the 18th Public Sector Innovation Conference.
- R137,000 in-kind sponsorship from GEMS towards the GEMS Health Award category at the Annual CPSI Public Sector Innovation Awards Programme.
- R73,000 in-kind sponsorship from Microsoft, supporting speakers and raffle gifts at the 18th Public Sector Innovation Conference.
- R44,000 in-kind sponsorship from Heineken Beverages for guest gifts and logistical hosting costs during the Annual CPSI Public Sector Innovation Awards Programme.

These contributions enhanced the quality and visibility of CPSI's innovation platforms, enabling greater stakeholder participation and professional recognition across the public sector innovation ecosystem.

Exemptions and Deviations from Treasury

No formal exemptions from PFMA or Treasury Regulations were received.

Events After the Reporting Date

As at the date of approval of the Annual Financial Statements, no material adjusting or non-adjusting events had occurred that would impact the reported financial position.



Ms Lydia Sebokedi
Accounting Officer
CPSI
Date: 30/07/2025

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury. The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgments made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.

Yours faithfully



Accounting Officer
Ms Lydia Sebokedi
Date: 30/072025

7. STRATEGIC OVERVIEW

7.1 Vision

A solution-focused public sector through innovation.

7.2 Mission

To entrench a culture and practice of innovation in the public sector to improve the effectiveness and efficiency of the public service and its service delivery to the public.

7.3 Values

The following values guide the CPSI's strategic direction:

- **Innovative:** The Government component enables public sector innovation by using new methods or ideas to improve the quality of life. The CPSI further acknowledges and honours this fundamental value to encourage public sector institutions in their efforts to innovate, from unearthing innovative initiatives to replication and mainstreaming.
- **Committed:** The Government component is fully committed to finding and developing new solutions for the developmental challenges faced by South Africans, in particular, to contribute to the reduction of unemployment, inequality and poverty.
- **Need-driven:** The Government component endeavours to respond to the needs of the citizens by addressing the root causes of service-delivery failures in an empathetic manner.
- **Ethical:** The Government component is committed to the highest standards of ethical conduct that reflect openness, transparency, honesty, trustworthiness, integrity, responsibility, accountability, and discipline.
- **Collaborative:** The Government component values collaborative partnerships with other public-sector entities, the private and non-governmental organisation (NGO) sectors, the South African National System Innovation and key global role players within the space of public-sector innovation

8. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

The CPSI does not have an explicit Constitutional mandate but operates under the principles as set out in Chapter 10, s195 of the Constitution of the Republic of South Africa. In particular, s195 (b)–(e) and (g) have direct relevance to the work of the CPSI:

- (b) Efficient, economic, and effective use of resources must be promoted.
- (c) Public Administration must be development-oriented.
- (d) Services must be provided impartially, fairly, equitably, and without bias.
- (e) People's needs must be responded to, and the public must be encouraged to participate in policymaking.
- (g) Transparency must be fostered by providing the public with timely, accessible, and accurate information.

These constitutional principles align with both the NDP and the Sustainable Development Goals (SDGs), which together serve as foundational reference points for the CPSI's challenge-driven approach to public-sector innovation.

Accordingly, the CPSI:

- Is responsive to the needs of citizens by being challenge-driven.
- Champions transparency through open innovation and supports open government initiatives.
- Promotes efficiency and effectiveness through innovation.
- Is development-oriented by co-developing solutions to address challenges identified in the NDP and the SDGs, in collaboration with innovators across and outside of government.

Furthermore, in terms of Chapter 3, Section 41(h) of the Constitution, all spheres of government and organs of state are required to:

- I. Foster friendly relations
- II. Assist and support one another
- III. Inform and consult one another on matters of common interest
- IV. Co-ordinate actions and legislation in a spirit of mutual trust and good faith

Given CPSI's cross-sectoral mandate, cooperative governance remains central to the success of its innovation and replication efforts across national, provincial, and local spheres.
the CPSI

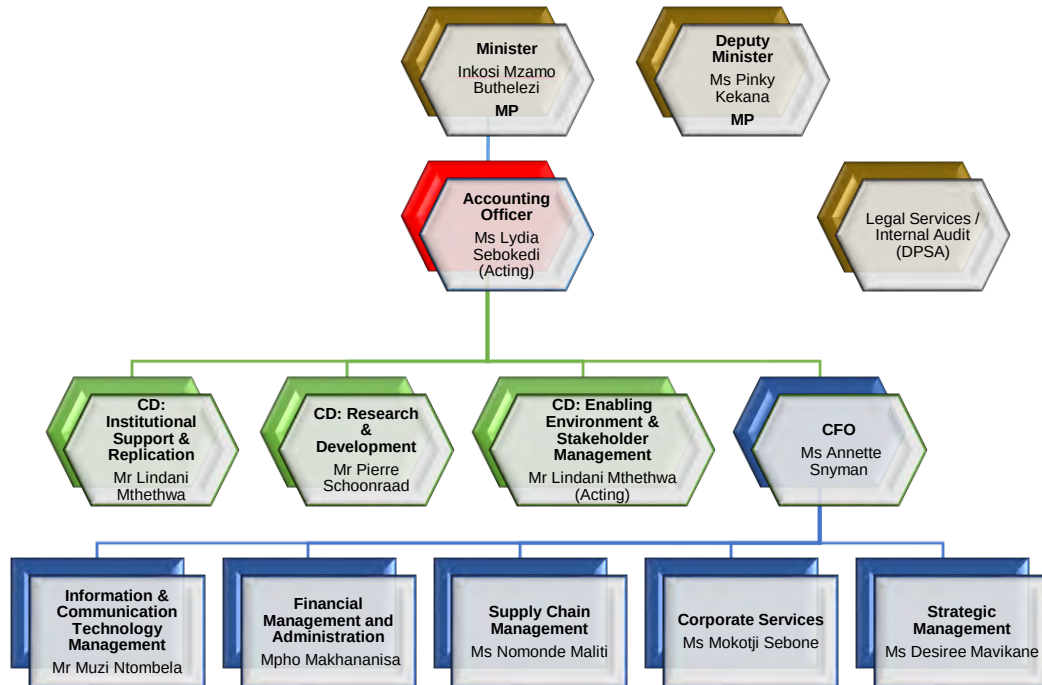
Legislative and Policy Mandates

The responsibility for public-sector innovation is vested in the Minister who, in terms of section 3(1) (i) of the Public Service Act of 1994, as amended, is responsible for establishing norms and standards relating to transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public. This role is further expanded on in Government Notice 700 of 2 September 2011.

The function of the CPSI is thus to entrench a culture and practice of innovation in the public service through:

- (i) advancing needs-driven research and development.
- (ii) unearthing, demonstrating, sharing, encouraging, and rewarding innovation.
- (iii) testing, piloting, and incubating new innovations and supporting the replication of innovative solutions.
- (iv) partnering with public, private, academic, and civil society sectors to support the mandate of the CPSI.

9. ORGANISATIONAL STRUCTURE



The organisational structure of the CPSI remained unchanged during the 2024/25 financial year. The structure supports the organisation's strategic objectives through two core programmes, namely Programme 1: Administration and Programme 2: Public Sector Innovation.

This structure enables CPSI to fulfil its innovation mandate by ensuring sufficient support for internal operations, while promoting collaboration, project development, stakeholder engagement, and the replication of innovative solutions across the public sector. The organogram demonstrates clear reporting lines and role delineation, contributing to sound governance, accountability, and operational efficiency.

10. ENTITIES REPORTING TO THE MINISTER/MEC

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Department of Public Service and Administration (DPSA)	Public Service Act, 1994 (Proclamation 103 of 1994), as amended Public Administration and Management Act, Act 11 of 2014	The CPSI received its annual appropriation by means of a transfer from the DPSA. The DPSA and CPSI signed a Memorandum of Understanding (MoU) in relation to services, including those that the DPSA provides to the CPSI at no cost. These are set out in the Related Party Note to the Annual Financial Statements.	Policy development and enforcement in the Public Service

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
National School of Government (NSG)	Public Service Act, 1994 (Proclamation 103 of 1994), as amended Public Administration and Management Act, Act 11 of 2014	None	Providing education, training and development in the three spheres of government, state-owned entities (SOEs) and organs of state

The information in this section aligns with the disclosures in the related party transactions note in the Annual Financial Statements (Part F). Specifically, the financial relationship between CPSI and the Department of Public Service and Administration (DPSA) is detailed in the note, including the annual transfer payment and the memorandum of understanding covering shared services provided at no cost.

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 90 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The 2024 general elections marked a significant turning point in South Africa's politics, profoundly shaping the governance landscape. It signalled the start of the 7th Administration, which prioritises building a capable, ethical, and developmental state as one of its three strategic priorities. This focus requires reforms in public administration to improve efficiency, effectiveness, accountability, and service delivery. Central to achieving greater efficiency and effectiveness is the successful digital transformation of public administration. The CPSI plays a crucial role in equipping the Public Sector to meet these priorities through innovation. Additionally, the 7th Administration also sparked speculation regarding the macro-organisation of the state. Although not highly significant, these speculations introduced some uncertainty about the strategic direction the organisation is taking.

The CPSI does not deliver services directly to the public. However, in the financial year under review, the CPSI successfully expanded its Youth Digital Skills Programme, which aims to equip young people with skills that we hope will benefit the Public Sector and enable them to become digitally literate public servants of the future. The programme targeted learners and students who are still exploring their career options, with a focus on rural areas in provinces such as Limpopo and the Northern Cape. One challenge the CPSI faces is that its replication programme does not effectively lead to the scaling of innovations. Although CPSI cannot directly drive scaling, as this falls under the responsibilities of the relevant service delivery departments, issues related to scaling require further investigation. Public sector innovations are identified through the annual awards programme, and each year, two solutions from the finalist projects are replicated. However, beyond replication, it remains difficult to persuade departments to implement these solutions on a broader scale. Consequently, we continue to operate in a space where some innovations are replicated but not scaled. For instance, there was a commitment in Gauteng Province that mortuaries would adopt the Digital Fingerprints for Forensic Pathology Services (which has been replicated in five mortuaries within the province), but full scaling across the entire province has yet to be achieved. This remains despite evidence showing a significant reduction in the number of unidentified bodies.

One of the ways to support the broader scaling of solutions is to leverage networks such as the inter-provincial network (comprising Western Cape, Northern Cape, Eastern Cape, Limpopo, North West, KwaZulu-Natal) as well as the CPSI, DPSA, DCDT, and Sita, which has been meeting regularly during the last financial year. This network promotes collaboration and coordination while eliminating duplication of effort. It will assist in efforts to scale solutions, and we are hopeful that other provinces will see the need to join this network to collaborate and share solutions. This initiative also supports our intensified efforts to promote government-in-house digital solutions developed by software developers employed in the Public Sector. Most provinces and several national departments have

embraced the idea of developing their own digital solutions to address challenges, instead of procuring these off-the-shelf, mostly from multinational companies. The challenge here remains the adoption of these solutions by departments facing similar challenges, a matter that we hope will be partly resolved through inter-provincial coordination.

We are also addressing this challenge by creating a network of public sector software developers. The CPSI hosted its first Developer Convention (DevCon), attended by 50 software developers, alongside the Annual Public Sector Conference. Through this network, we aim to facilitate the exchange of best practices and co-design among these public servants, as well as to enhance their capacities in various areas, including issues related to intellectual property.

One positive outcome of the collaborative spirit within the network is that in 2024, the Eastern Cape province shared the source code of their eRecruitment and eLeave Solutions with CPSI for further replication and scaling in other provinces and departments. The North West Provincial Department of Education also began adapting this solution during the same period. A significant development this year has been the ubiquitous presence of Generative Artificial Intelligence (GenAI) and the drive to explore its applications in the public sector. CPSI supported the inaugural AI Hackathon for public servants, hosted by the Western Cape Government, where solutions were sought for community safety, climate resilience, procurement, and IT management. Additionally, CPSI engaged in various working groups coordinated by the CSIR and the National Advisory Council on Innovation (NACI) to help regulate and harness AI's potential benefits. It is expected that AI solutions will develop further over the next five years and exert an even greater impact on service delivery.

What is encouraging is that the year under review saw the CPSI gaining positive support from the Portfolio Committee on Public Administration. This has led to increased demand for the CPSI services. Several departments have approached the CPSI and outlined their challenges in the hope of having solutions developed for them. Currently, the list of requests exceeds the resources available to support these departments.

2.2 Service Delivery Improvement Plan

The department has finalised a service delivery improvement plan. The tables below showcase the plan and the achievements so far.

Main Services and Standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Payment of service providers	Suppliers	Payments are made within 30 days	Payments to be made within 20 days	Payments are made within 5 days
Supporting youth with ICT skills	The youth	A reach of about 200 youths per annum	A reach of about 500 youths per annum	A reach of about 300 youths per annum
Produce PSI-related knowledge for sharing	Departments and Municipalities	A minimum of two case studies of developed annually	To develop two case studies	Two case studies developed
Providing a platform for exchange best	Public servants, academics, civil society, entrepreneurs	The conference attracts 350 delegates per annum	Annual delegates of 450	350 delegates with an addition 50 delegates from government

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
practices on innovation				software developers
Develop a network of government software developers	Government-employed software developers	Currently we have managed to organise an engagement for 50 software developers	To host an annual engagement of 50 government employed software developers	Hosting a DevCon comprising 50 software developers
Replicating best practices	Departments	Currently we replicate two innovations per annum	To scale replicated solutions	Replicating two innovations per annum and providing institutional support to various departments
Unearthing public sector innovations	Departments /Municipalities	Currently, we unearth about 60 government innovations per annum	To unearth 100 government innovations per annum	Unearthing more than 60 government innovations per annum
Develop innovative solutions	Departments	A module-based and incremental development of innovative solutions	To develop innovative solutions within two years	Developing innovative solutions within three years
Linking solution providers with government challenges	Departments, entrepreneurs and innovators	Innovators physically and virtually connect with us, sharing their solutions in order to get takers within government	A platform on our website where solution seekers can connect with solution providers	The website is under re-development with a new portal that will promote sharing on in-house developed solutions

Batho Pele Arrangements with Beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	The CPSI uses Design Thinking as its methodology, which requires consultation and participation in the design of solutions for Departments and citizens who are the ultimate beneficiaries	Innovation programmes of the CPSI involve participation by stakeholders, from the youth digital skills programme to solutions that are developed with departments, e.g. Emergency Management Services solution developed with Gauteng Department of Health, DevCon organised in consultation with the Youth
Access to services	The CPSI supports departments and youth development; thus, there are no services that can be accessed	Not applicable

Service Delivery Information Tool

Current/actual information tools	Desired information tools	Actual achievements
The organisation's website serves as the primary source of information	Improving the website is what is desired	The website encountered some challenges in the financial year, but is up and functional again, thanks to skilled internal employees
Social media: YouTube channel is used to stream events and other media such as LinkedIn and X are leveraged to convey news and announcements	No additional desired information tools	Social media was used effectively to share CPSI messages, including streaming of the annual conference and Awards ceremony

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints are made via info@cpsi.co.za or by calling the CPSI on 012 683 2800	To have a mechanism within our website where complaints can be made.	We have not received any complaints

2.3 Organisational Environment

The CPSI operated within an evolving organisational environment characterised by increased demands for innovation, service efficiency, and digitisation, while also facing internal and external resource constraints.

During the reporting period, the CPSI maintained continuity in its organisational structure, with minimal changes to its staffing complement. The existing capacity was, however, optimised through targeted development initiatives to enhance digital skills and innovation-support functions. The CPSI further progressed its internal digitisation agenda, with ongoing improvements to administrative processes in finance, supply chain management, and human resources.

There were no significant changes in executive leadership, no disruptions due to labour unrest, and no reported incidents of maladministration or corruption during the reporting period. Stability in leadership, although in an acting capacity, allowed for continued focus on performance delivery despite operational challenges.

A major challenge during the year remained the condition of the physical office accommodation. Following the identification of structural concerns and occupational health risks at the current premises, the CPSI implemented temporary office relocation measures in consultation with the Department of Public Service and Administration (DPSA). Engagements with the Department of Public Works and Infrastructure (DPWI) and the Department of Labour and Employment (DLE) were also initiated to ensure formal assessments and remediation actions. Staff well-being was prioritised throughout, and temporary hybrid work arrangements were maintained where necessary.

While the physical relocation posed logistical challenges, no significant impact on programme delivery was reported. Measures such as hybrid work arrangements, prioritisation of audit readiness, and targeted support for core programmes ensured alignment with the targets set out in the Annual Performance Plan.

Despite infrastructure constraints, the organisational culture remained resilient, accountable, and innovative. The CPSI maintained its clean audit record and continued to embed sound internal control

practices. Participation in external oversight platforms – including the National Public Sector Non-Compliance Audit, PFMA, and Procurement Symposia – contributed to gaining deeper insights and enabled a proactive review of internal compliance and risk management practices.

The organisational environment at the CPSI continues to reflect a balance between adaptive responsiveness and operational discipline in pursuit of its strategic mandate.

2.4 Key Policy Developments and Legislative Changes

There were no significant policy developments or legislative changes affecting the work of the CPSI during the period under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact Statement: Improved effectiveness and efficiency of the public service and its service delivery to the public through innovation.

OUTCOMES

Outcome	Outcome indicator	MTSF Priority 1	Baseline	Five-year target	Progress made towards the achievement of the five-year targets in relation to the outcome indicators
Effective Corporate Governance	Number of unqualified audit opinions	A Capable, Ethical and Developmental State	1 p/a	5	5
Innovative culture and practice in the Public Sector entrenched	Number of innovation initiatives enabled		15 p/a	75	82

Effective Corporate Governance: This achievement ensures accountability for the efficient, effective, and economical use of the allocated resources in pursuit of the CPSI's mandate. During the review period, the CPSI maintained its record of good governance through effective leadership, internal controls, and financial compliance. A clean audit opinion for the 2023/24 financial year was received, marking the fifth in the five-year planning period, reaffirming the CPSI's commitment to sound governance and adherence to public sector financial management principles. The average supplier payment period for the year further improved to 2.82 days, with 2024/25 representing the best performance in the five-year period, consistently remaining well below the 30-day standard.

The governance environment was further reinforced by effective oversight structures, including an active Audit and Risk Committee, Internal Audit Unit, and robust compliance monitoring processes. These mechanisms collectively ensured that the CPSI remained compliant with PFMA, Treasury Regulations, and other prescripts governing public administration.

Innovative Culture and Practice in the Public Sector entrenched: This outcome directly contributes to achieving the mandate of the CPSI. It is also a cross-cutting result that influences government priorities.

The CPSI is well underway to achieve its strategic outcomes in terms of improving the effectiveness and efficiency of the Public Service and its service delivery to the public through innovation. These include:

- **Research and Development initiatives undertaken**, working in collaboration with provinces and departments. Multi-year development projects, including the digital Emergency Medical Services for patient transport solution, now named Gauteng Health Link, will continue into the next financial year, whilst short-term digitisation initiatives for human resource management are also being prioritised.

- **Innovative solutions replicated**, amongst which is the Smart Agriculture Box Project. This solution has been replicated in facilities in the Barberton Correctional Services Facility.
- **Knowledge Platforms sustained**, these include the Public Sector Innovation Awards Programme that unearths service delivery innovations across the public sector, the Annual Public Sector Innovation Conference and Design Thinking and Innovation Workshops.
- **CPSI in-sourced system developers** to develop in-house solutions in partnership with departments. To support the system developers in the public service, the CPSI hosted a DevCon on the margins of the annual conference. This encourages co-designing and co-development of solutions.
- Following the signing of an MoU between the CPSI Eastern Cape Province for the **sharing of source code and documentation** of solutions developed in-house, the CPSI shared this source code with the North West Department of Education. This will enhance the capacity of the state to build solutions, thus reducing the reliance of the government on external out-of-the-box solutions whilst saving on costs.
- The CPSI continued to introduce **new approaches** and tools to the public sector through webinars and training. Following the introduction of Design Thinking Methodologies through online and face-to-face workshops, the NSG has now included it as one of its offerings.

The above-mentioned achieved targets have contributed to the creation of a capable, ethical and developmental state in a number of ways, including capacitating public servants with new tools such as Design Thinking. Furthermore, by encouraging, recognising and rewarding initiatives that are developmental, i.e. improved and more effective services and improved quality of life of citizens, the objectives of a developmental state are supported. By investing in empowering the youth with digital skills and sharing various approaches of successful innovations through innovation knowledge platforms, we can ensure the mainstreaming of these innovations.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Programme purpose: Provide strategic leadership, overall management of and support to the CPSI.

Within Administration, there are three subprogrammes:

Executive Support oversees the overall management of the CPSI and manages and facilitates the provision of internal audit and organisational risk and integrity management services, and legal services.

Corporate Services manages and monitors the provision of corporate resource management services, ICT management services, security management services, office support, and auxiliary services.

Office of the Chief Financial Officer ensures compliance with all relevant financial management statutes and regulations, notably the Public Finance Management Act (PFMA), oversees the effective financial and supply chain management of the CPSI, and coordinates implementation, monitoring and reporting on the CPSI's overall performance.

Institutional Outcome that Programme 1 Contributes to:

Effective corporate governance: This outcome ensures, among others, accountability for the efficient, effective, and economic use of allocated resources towards fulfilling the mandate of the CPSI.

4.1.1. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The CPSI achieved a clean audit opinion for the 2023/24 financial year.

Table 4.1.2:

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Effective corporate governance	Unqualified audit opinion on financial and non-financial information	Type of audit opinion on financial and non-financial information	Unqualified audit opinion on financial and non-financial information for the 2021/22 financial year	Unqualified audit opinion on financial and non-financial information for the 2022/23 financial year	Unqualified audit opinion on financial and non-financial information for the 2023/24 financial year	Unqualified audit opinion on financial and non-financial information for the 2023/24 financial year	None	N/A

Linking performance with budgets

Programme 1: Administration was allocated a final appropriation of R24,439 million for the 2024/25 financial year, of which R20,337 million was spent by 31 March 2025, resulting in an under-expenditure of R4,102 million (16.80%) excluding prepayments. In the previous financial year (2023/24), Programme 1 had a final appropriation of R21,829 million, with actual expenditure amounting to R20,532 million, reflecting an under-expenditure of R1,297 million (5.94%).

The under-expenditure in 2024/25 is primarily attributed to:

- **Vacancies in one Senior Management Service (SMS) and one non-SMS post**, which contributed to lower than anticipated expenditure in the Compensation of Employees budget.
- **Savings in operational goods and services**, including reduced spending on consumables, minor assets, and shared event costs due to the joint hosting of the CPSI Innovation Awards with the DPSA Batho Pele Awards. Delayed procurement and processing of ICT-related and digitisation goods, which were postponed due to the timing of the relocation process and late invoice submissions near year-end.

Despite the under-expenditure, Programme 1 achieved its planned output of securing an unqualified audit opinion on both financial and non-financial information for the 2023/24 financial year. The programme continued to provide strategic, financial, and administrative support that enabled overall organisational performance, including timely supplier payments (average of 3.27 days), successful coordination of audit processes, and consistent internal control maintenance.

The allocation and utilisation of funds under Programme 1 were therefore effectively aligned to achieve key governance and compliance outcomes, while the remaining funds will be subject to rollover requests where appropriate to support the continuation of important projects, including the office relocation and digital transformation initiatives.

Sub-programme expenditure

Sub-Programme Name	2024/2025			2023/2024		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Executive Support	5,122	2,541	2,581	2,655	2,272	383
Corporate Services	12,552	11,276	1,276	12,445	11,807	638
OCFO	6,765	6,520	245	6,729	6,453	276
Total	24,439	20,337	4102	21,829	20,532	1,297

Strategy to overcome areas of underperformance

Although Programme 1 achieved its planned performance target of maintaining an unqualified audit opinion on both financial and non-financial information, under-expenditure was recorded in several sub-programmes due to delays in filling critical posts and the deferred implementation of certain operational and digitisation initiatives.

To address these issues and prevent future underperformance, the following strategies have been adopted:

- Expedited filling of critical vacancies: The department will prioritise the recruitment of the vacant Senior Management and Non-Management posts, with Human Resources coordinating the process to align with allocated compensation budgets.
- Improved procurement forecasting: Early procurement planning will be reinforced through quarterly reviews and tighter alignment between programme needs and SCM processes, particularly for ICT-related and operational procurement.
- Monitoring digitisation implementation: The Office of the CFO will collaborate with Corporate Services to track and schedule digitisation initiatives more proactively to ensure timely delivery and spending in line with procurement plans.
- Tighter cost planning and controls: Programme 1 will work to reduce projected underspending by adjusting budget allocations based on mid-year reviews and leveraging historical spending patterns.

These measures aim to ensure full utilisation of resources while maintaining high standards of compliance, financial governance, and operational efficiency in future reporting periods.

4.2 Programme 2: Public Sector Innovation

Programme purpose: Enables service delivery innovation in the public sector in line with government priorities.

Within the Public Sector Innovation Programme, there are three subprogrammes:

Research and Development establishes the evidence base in support of the programme to inform the selection, development, testing and piloting of potential innovative models and solutions. It further facilitates the development of solutions within the public service and supports the development of the required skills base.

Institutional Support and Replication facilitates institutional support, demonstration, replication and mainstreaming of innovative solutions for the public sector.

Enabling Environmental and Stakeholder Management nurtures and sustains an enabling innovative environment, entrenches a culture and practice of innovation in the public sector through innovative platforms and products, and develops and maintains partnerships and stakeholder relations to enhance collaboration.

Institutional Outcome that Programme 2 Contributes to:

Culture and practice of innovation in the public sector entrenched: This outcome contributes directly to the achievement of the mandate of the CPSI and the implementation of the NDP. It is also a cross-cutting outcome that impacts the seven priorities of government as identified by the Sixth Administration.

Solution development is a critical step in infusing innovation in the public sector; these solutions are mostly brought forth by innovators, within and outside of government. Through active engagements with youth on challenges, new ideas and concepts can be explored, which in turn encourages youth to contribute to the economy of the country whilst solving service-delivery challenges. The CPSI thus supports hackathons and similar initiatives and collaboration with partner institutions such as The Innovation Hub to develop solutions.

Enabling Environment (EE) uses innovative platforms and products to nurture and sustain an enabling environment, which is critical in entrenching a culture and practice of innovation in the public sector. Many solutions that are unearthed through the Awards Programme or through collaboration with the broader NSI have the potential for wider impact. As such, there is a demand for the replication and scaling of these. The Public Sector Innovation (PSI) programme thus also annually selects potentially scalable innovations for replication.

4.2.1 Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

INNOVATION RESEARCH AND DEVELOPMENT INITIATIVES UNDERTAKEN

The unit's case study development continued with **two case studies** concluded.

The **first case study** documents the development of the ***Digital Fingerprint Solution for Forensic Pathology Services***. This case study seeks to ensure that the lessons learnt from the development of this solution are documented for knowledge management purposes. It also aims to give exposure to the solution for uptake and replication in other provinces. The case study also provides a valuable resource for universities and students of public sector innovation, and it provides a practical case study that can be used to test theories.

The **second case study** that we have developed is an outcome of the CPSI's Annual Public Sector Conference, where the ***Department of Correctional Services' use of policy to enable innovation*** came under the spotlight. The CPSI was then requested by DCS to develop this case study on their behalf for learning and knowledge-sharing purposes. The **case study thus explores the DCS policy shifts and how these are enabling innovation**. The case study will be shared with other departments for knowledge management purposes.

The unit supported **Productivity SA** in their journey to use Design Thinking to address challenges by conducting an *Organisational Culture Survey* with recommendations to management.

The multi-year development projects continued with the Planned Patient Transport solution, "***Gauteng Health Link***", successfully developed during the period under review. Following user training and testing of the MVP (minimum viable product), further development was required, which has now been concluded, and piloting commenced in the Sedibeng district.

In addition, the multi-year projects, the unit successfully concluded the piloting and implementation of the ***eLeave Management solution*** for the CPSI.

KNOWLEDGE PLATFORMS SUSTAINED TO NURTURE AN ENABLING ENVIRONMENT FOR INNOVATION IN THE PUBLIC SECTOR

The CPSI participated in two International Platforms.

The CPSI participated in the OECD-OPSI Country Contact Point meeting in April 2024, where countries engaged on the latest developments in public sector innovation and transversal topics such as mission-oriented innovation, behavioural insights, and measurement, monitoring and evaluation of innovation. The CPSI also actively participated in the Measurement Working Group.

The CPSI was invited by the UN to contribute to a workshop on Systems Thinking, Strategic Foresight and Innovation, held as part of the UN Public Service Forum and Awards in June 2024. During the event, one of the 2023 Public Sector Innovation Awards winning projects, the Western Cape Digital Inclusion Project, was recognised as one of five UN Public Sector Innovation Awards winners.

The **Annual Public Sector Innovation Conference** was held in August 2024 in KwaZulu-Natal. **The theme for 2024 was 'Accelerating Transformation through Mission-Oriented Innovation'**. The theme reiterated the urgent need to be a mission-oriented government that focuses on impactful, goal-oriented programmes that break the siloed approach to accelerate sustainable, inclusive socio-economic growth and development.

- Notable presentations were the sharing of insights on a mission-oriented approach by the **OECD, MOIN, WITS School of Governance** and the **Presidency**, amongst others.
- The CPSI further hosted the first public sector **DevCon** parallel to the Annual Public Sector Innovation Conference, bringing together 50 developers and analysts from across the public sector to engage on sharing of solutions, approaches, code, cybersecurity, data tools, as well as future collaboration.

The **inaugural merged Batho Pele and Innovation Awards Ceremony 2024** was held in November 2024. The Minister for the Public Service and Administration recognised and conferred awards to teams and individuals in the Public Sector. A **Design Thinking and Public Sector Innovation workshop** was conducted as part of the Innovation Awards Programme, where some delegates were trained on design thinking tools to assist them in improving service delivery.

The winners and runners-up of the Innovation Categories are as follows:

Position	Category	Department
Replication and Adaptation of Innovative Solutions		
Category Winner	Pharmacy Speedy-Q	Gauteng, Health
1st Runner Up	IPV Screening Intervention	Western Cape, Health
2nd Runner Up	Physiotherapy Peer Review	Gauteng, Health
3rd Runner Up	Triage Clinic: Helping patients & their families navigate a complex referral system	Gauteng, Health
Citizen-Focused Innovation		
Category Winner	RAF Bus Project	National, Road Accident Fund
1st Runner Up	Broselow Emergency Reference Tape-Inspired Paediatric Resuscitation Boxes	Western Cape, Health
2nd Runner Up	Quality Improvement, projection triaging and fast-tracking maternity patients	Mpumalanga, Health
3rd Runner Up	eThekwinini Mobile App	KwaZulu-Natal, eThekwinini Municipality
Innovation Harnessing Technology		
Category Winner	Tele ICU- Saving Lives from a distance	Western Cape, Health
1st Runner Up	Disaster Damage Rapid Assessment App	Western Cape, Agriculture

Position	Category	Department
2 nd Runner Up	Overberg Education District Learner Transport Scheme App	Western Cape, Education
3 rd Runner Up	Court Watching	Western Cape, Community Safety
Public Sector Innovator of the Year 2024:		
	Pharmacy Speedy-Q	
GEMS Health Award		
Winner	IPV Screening	
1 st Runner Up	Tele-ICU	

Five **Design Thinking and Public Sector Innovation workshops** were conducted for representatives from the **Departments of Health and Correctional Services** and the **Office of the Public Protector**, as well as the following provinces, in partnership with the Offices of the Premier:

- Western Cape Province
- KwaZulu-Natal Province
- Eastern Cape Province
- North West Province

These workshops aim to enable public officials from various departments across all three spheres of government to use modern tools such as systems thinking and design to address service delivery challenges. They are part of the CPSI's effort to foster an environment conducive to innovation in the public sector.

INNOVATIVE SOLUTIONS REPLICATED

Replicating proven and innovative solutions in the public sector is essential because it boosts the reliability of the solution and allows for expanding its impact to a wider audience. Replication also helps identify potential limitations of the original innovative solution and promotes improvements.

Two Innovative solutions were replicated, namely the *High-Volume Cataract* and the *Smart Agriculture Box* projects.

The **High-Volume Cataract Project** was implemented at Tshwane District Hospital. This initiative significantly shortens the turnaround time for cataract surgeries by installing two operating beds within a single theatre for cataract removal. Required equipment was acquired, training was provided, and the project has been successfully rolled out at the hospital.

The **Smart Agriculture Box Project** was duplicated in the Free State and at the Barberton Correctional Facility, which is part of the Department of Correctional Services. The project provides fresh vegetable produce, offers a green solution to environmental challenges, and promotes the efficient use of limited farming land. Correctional officials and offenders received training on how to operate the Smart Agriculture Boxes and how to produce organic compost. The Barberton Facility has even begun harvesting cabbage planted for the first time using the Smart Agriculture boxes.

Table 4.2.2:

Programme 2: Public Sector Innovation								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Innovative culture and practice in the public sector entrenched	Innovation research and development initiatives undertaken	Number of innovation research and development initiatives undertaken	4	4	4	5 Achieved	+1	An additional research report was compiled for Productivity SA
	Knowledge platforms sustained to nurture an enabling environment for Innovation in the public sector	Number of knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	11	9	9	9 Achieved	None	N/A
	Innovative solutions replicated in the public sector	Number of innovative Solutions replicated in the public sector	2	2	2	2 Achieved	None	

Linking Performance with Budgets

Programme 2: Public Sector Innovation was allocated a final appropriation of R23,500 million for the 2024/25 financial year. Of this amount, R21,413 million was spent by 31 March 2025, resulting in an under-expenditure of R2,087 million (8.88%). In the previous financial year (2023/24), the programme had a final appropriation of R24,065 million, of which R23,732 million was spent, reflecting a smaller under-expenditure of R333,000 (1.38%).

The under-expenditure in 2024/25 mainly resulted from delayed implementation and procurement processes related to replicating innovation projects, along with lower-than-expected expenditure on stakeholder engagement activities. These included savings on venues, travel, and promotional materials due to the shift towards virtual platforms and shared events. Additional savings were achieved in the Institutional Support and Replication sub-programme due to procurement delays affecting the timing of certain project components.

Despite this, all targets for Programme 2 were met or exceeded. The programme successfully delivered five innovation research and development initiatives (exceeding a target of four), maintained nine knowledge platforms, and duplicated two innovative solutions. These results supported the achievement of CPSI's strategic outcome of fostering a culture and practice of innovation in the public sector and contributed significantly to Priority 1 of the Medium-Term Strategic Framework: A Capable, Ethical, and Developmental State.

The budget was therefore effectively utilised to achieve the planned outputs, with cost-efficiency and delivery alignment ensuring full performance against the Annual Performance Plan.

Sub-programme expenditure

Sub-Programme Name	2024/2025			2023/2024		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research & Development	7,048	6,464	584	7,702	7,517	185
Institutional Support & Replication	6,788	5,380	1,408	5,523	5,485	38
Enabling Environment & Stakeholder Management	9,664	9,569	95	10,840	10,730	110
Total	23,500	21,413	2,087	24,065	23,732	333

Strategy to Overcome Areas of Underperformance

Programme 2 successfully met or exceeded all its planned output targets for the 2024/25 financial year. However, there was under-expenditure in certain sub-programmes, particularly within Institutional Support and Replication, due to delays in procurement and project implementation. In some cases, non-responsive requests for quotations (RFQs) led to purchase orders being issued late in the financial year, impacting the full roll-out of replication activities. Other areas of under-spending included savings on event-related goods and services, where joint events and virtual engagements helped reduce costs.

To prevent similar under-spending in future years, the CPSI will enhance forward planning and contract management processes to ensure procurement is started earlier in the financial year, especially for replication-related goods and services. Furthermore, internal project monitoring schedules will be tightened to monitor milestone delivery timelines and identify potential delays in implementation or supplier responsiveness.

The programme will also broaden its supplier database where feasible to enhance competition and reduce the risks of procurement delays caused by unsuccessful bidding processes. These measures aim to improve spending predictability while maintaining the quality and timeliness of innovation deployment, enabling the CPSI to meet both its financial and performance commitments.

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

Not applicable

5. TRANSFER PAYMENTS

5.1 Transfer Payments to Public Entities

No transfer payments were made by the CPSI to public entities during the 2024/25 financial year.

5.2 Transfer Payments to All Organisations Other than Public Entities

During the year under review, the CPSI did not issue any transfer payments to non-public entities or other organisations.

6. CONDITIONAL GRANTS

6.1 Conditional Grants and Earmarked Funds Paid

The CPSI did not release any conditional grants or funds allocated for specific purposes during the reporting period.

6.2 Conditional Grants and Earmarked Funds Received

No conditional or earmarked grants were received by the CPSI for the 2024/25 financial year.

7. DONOR FUNDS

7.1 Donor Funds Received

During the 2024/25 financial year, the CPSI did not receive any donor funding in the form of cash or earmarked in-kind contributions from international or local development partners. As a result, no projects were funded, executed, or monitored under a donor assistance framework during the reporting period.

Although no formal donor agreements were in place, the CPSI continued to receive limited in-kind sponsorships from non-affiliated private sector and institutional partners. These are disclosed separately under the statement of Gifts, Donations, and Sponsorships Received.

8. CAPITAL INVESTMENT

8.1 Capital Investment, Maintenance and Asset Management Plan

The CPSI did not engage in any capital infrastructure investment, refurbishment, or large-scale maintenance projects during the 2024/25 financial year. Since the organisation operates from leased premises and does not own infrastructure, there were no completed or ongoing infrastructure projects, nor were there any plans to decommission or downscale facilities.

Regarding capital assets, the CPSI continued to ensure proper asset management through a thorough bi-annual verification process. All assets were recorded and overseen via the asset register, which was regularly updated to include acquisitions, disposals, and losses. No significant losses or theft incidents were reported during the year.

Asset Changes:

- A small number of laptops and peripheral devices reached end-of-life status and were disposed of in accordance with approved disposal procedures.

A limited number of ICT equipment items (including hardware for system development purposes) were procured during the year to support digitisation initiatives.

Asset Condition:

- As of 31 March 2025, approximately 94% of assets were classified in good condition, with the remainder in fair condition. No assets were recorded as being in poor or unusable condition.

Maintenance and Backlog:

- Due to the nature of CPSI's operations and the reliance on DPWI-managed premises, there were no direct maintenance projects undertaken by CPSI.
- There is no significant maintenance backlog, and no infrastructure upkeep was postponed during the reporting period. Although there were no major capital or infrastructure projects,

CPSI maintained strict internal controls over movable assets. The organisation ensured compliance with Treasury asset management guidelines and aligned its practices with the Minimum Requirements for Asset Management (MRAM) Framework.

PART C: GOVERNANCE

1. INTRODUCTION

The CPSI remains firmly dedicated to maintaining the highest standards of governance. This dedication is key to ensuring the effective, efficient, and economical use of public resources to support innovation in the public sector. As a government body funded through public revenue, CPSI acknowledges its accountability to taxpayers and stakeholders, prioritising transparency, ethical leadership, and regulatory compliance in all its activities. During the 2024/25 financial year, the CPSI continued to enhance its governance framework to ensure proper oversight of innovation programmes, partnerships, and internal operations.

Governance practices were guided by relevant legislation, including the Public Finance Management Act (PFMA), Treasury Regulations, and DPSA policies, while aligning with emerging risks and priorities in the public sector.

This section summarises key governance activities and control measures implemented to reduce risks and seize opportunities for improved service delivery. These include ethical leadership, audit and risk oversight, internal controls, stakeholder engagement, and monitoring of performance outcomes. Particular focus is given to how CPSI combines governance with innovation by ensuring that solutions piloted and replicated in the public sector are ethically sound, risk-aware, and capable of delivering sustainable results.

2. RISK MANAGEMENT

Risk Management Policy and Strategy

The CPSI maintains an approved Risk Management Policy and Strategy that guides the implementation of Enterprise Risk Management (ERM) throughout the institution. These governance documents were reviewed during the 2023/24 financial year and remained in effect for 2024/25 to ensure consistency with recent developments in the public sector risk environment. The review confirmed alignment with the Public Finance Management Act (PFMA), Treasury Regulations, the Prevention and Combating of Corrupt Activities Act, the Public Service Act (1994), the Public Service Regulations (2016), and the National Treasury Public Sector ERM Framework. CPSI also adapted its practices in accordance with reference materials such as the Practical Guidelines for Employees issued under the Protected Disclosures Act and the Public Service Commission's Whistleblowing Guide.

Risk Assessments and Emerging Risks

Implementation of the 2024/25 Risk Management Plan resulted in several achievements, including:

- Review and approval of the 2024/25 Risk Management Strategy
- Institution-wide Risk Management Training focused on Public Sector Governance and Risk

Awareness:

- Delivery of Fraud Awareness sessions to all CPSI officials
- Completion of Strategic, Operational, Fraud, and ICT Risk Assessments during the first quarter, followed by approval of the respective risk registers by the Acting Executive Director

A notable milestone was the review and reaffirmation of the Risk Appetite and Tolerance Framework. This framework guides informed decision-making by clearly specifying the levels and types of risks that CPSI is willing to accept in pursuit of its strategic aims. It promotes consistent decision-making, prioritisation of key risks, and optimal resource allocation. During the financial year, five strategic risks were effectively managed within the organisation's defined Risk Appetite and Tolerance levels.

Enterprise Risk Management Committee

The Enterprise Risk Management Committee continued to advise CPSI management on the overall risk management system, meeting quarterly to review risk registers, assess mitigation progress, and guide responses to both ongoing and emerging risks. The committee plays a vital role in embedding risk ownership and enhancing accountability throughout the institution.

Audit and Risk Committee Oversight

The Audit and Risk Committee provided independent oversight of the effectiveness of the risk management system. Through quarterly risk reports and governance engagements, the Committee advised on the adequacy of controls and the alignment between risk mitigation and performance delivery. The Committee also monitored the implementation of the Risk Management Plan, ensuring ongoing improvements to governance processes.

Progress and Performance Improvements

The 2024/25 financial year demonstrated notable progress in CPSI's risk maturity and compliance standing. CPSI initially depended on a service provider for Microsoft 365 Power BI to facilitate integrated risk, performance, and compliance reporting; however, the service provider was not contractually required to transfer or share access to the system in use. Consequently, CPSI has since begun a process to source and implement a similar solution internally to ensure sustainable capacity and ownership.

A significant achievement was appointing an in-house Assistant Director: Risk Management, which enabled CPSI to end its reliance on external service providers and enhance internal compliance with governance and risk management standards.

Furthermore, the Business Continuity Management Policy and Plan were reviewed and prepared for implementation in the 2025/26 financial year. The organisation also operationalised its Combined Assurance Plan, facilitating systematic coordination and oversight of assurance providers, thereby strengthening the overall control environment.

Although there is evidence of performance improvement linked to enhanced risk oversight, CPSI will continue to develop these gains through targeted capacity building, proactive engagement with Risk Champions, and ongoing refinement of risk monitoring tools.

3. FRAUD AND CORRUPTION

The CPSI remains dedicated to fostering a culture of integrity and ethical behaviour, rooted in the values and principles of public service. This dedication is carried out through a structured Fraud Prevention Plan, which aligns with the Public Sector Risk Management Framework and is part of CPSI's integrated governance framework. The Fraud Prevention Plan comprises the following elements:

- Fraud and Corruption Policy
- Fraud Prevention Strategy
- Fraud Risk Management as a subset of the broader Enterprise Risk Management process

During the 2024/25 financial year, CPSI reviewed and updated its Fraud and Corruption Policy and Fraud Prevention Strategy to ensure they remain relevant and aligned with applicable legislation, including the Prevention and Combating of Corrupt Activities Act and the Protected Disclosures Act.

These frameworks guide CPSI's efforts in identifying, managing, and reducing fraud and corruption risks across its operations.

In implementing the Fraud Prevention Plan, CPSI delivered Fraud Awareness training for all officials during the year under review. The training covered key topics such as ethical behaviour, types of fraud, early warning signs, and individual responsibilities in fraud prevention and reporting.

Mechanisms for Reporting Fraud and Corruption

CPSI has mechanisms in place that enable employees and stakeholders to report suspected incidents of fraud and corruption. The institution encourages the use of protected disclosure channels that uphold the confidentiality and protection of whistleblowers. Reporting mechanisms include:

- Internal reporting to the Risk Management Unit.
- Anonymous reporting via the Public Service Commission's National Anti-Corruption Hotline.
- Direct escalation to the Executive Director or the Audit and Risk Committee, where appropriate.

These mechanisms are designed to establish a secure environment for officials to make disclosures without fear of retaliation, thereby strengthening a transparent and accountable organisational culture.

Response and Action on Reported Cases

All allegations or suspicions of fraud and corruption are taken seriously. Reports received are assessed, and where warranted, are subject to preliminary investigation. Depending on the nature and severity of the case, matters may be referred for:

- Internal disciplinary processes.
- Further investigation by external forensic or legal specialists.
- Reporting to law enforcement authorities or oversight institutions.

Throughout the 2024/25 financial year, CPSI upheld a zero-tolerance policy towards fraud and corruption. No confirmed cases were reported; however, systems remain in place to ensure readiness to act decisively if necessary.

4. MINIMISING CONFLICT OF INTEREST

The CPSI remains dedicated to maintaining transparency and ethical behaviour across all areas of its operations. In accordance with Chapter 2, Part 2(2) of the Public Service Regulations, 2023, the organisation has put in place comprehensive procedures to identify and manage potential conflicts of interest.

An e-disclosure system is continually used to facilitate the mandatory annual submission of financial interest declarations by all members of the Senior Management Service (SMS) and other designated officials. For the 2024/25 financial year, 100% compliance was achieved, with all SMS members submitting their disclosures by 30 April 2024, and all other designated officials by the 31 July 2024 deadline. The system is centrally monitored to spot red flags and ensure prompt intervention where necessary. No cases of undeclared interests or lifestyle irregularities were detected during the review period, and therefore, no lifestyle audits were considered necessary.

In addition to annual disclosures, the CPSI has institutionalised preventative measures at operational levels. All employees involved in procurement or recruitment processes are required to declare any actual or perceived conflicts of interest before starting their duties. This requirement applies to members of bid committees, interview panels, and project evaluation teams. The declaration process is treated with the utmost seriousness and includes a formal acknowledgement that any misrepresentation could lead to disciplinary action.

When a potential conflict of interest is identified, the issue is escalated to the Accounting Officer and Ethics Officer for review. In such cases, the affected individual is recused from further participation, and alternative arrangements are made to ensure fairness and objectivity. These measures help maintain the integrity of the CPSI's processes and strengthen accountability across all levels.

The CPSI's ongoing focus on proactive conflict-of-interest management underscores its broader commitment to ethical governance and public trust.

5. CODE OF CONDUCT

The CPSI follows the Public Service Code of Conduct as outlined in Chapter 2, Part 1(13) of the Public Service Regulations, 2023. All employees must sign the Code of Conduct when taking up their roles, confirming their understanding and commitment to uphold the values of integrity, accountability, impartiality, and professionalism. This underpins ethical conduct throughout the organisation.

The Code of Conduct details expected behaviour in all professional dealings, including with members of the public, political representatives, colleagues, and stakeholders. It acts as a behavioural guide, strengthening CPSI's internal culture of transparency, mutual respect, and responsible use of public resources. Employees are advised in their daily duties to prevent conflicts of interest, misuse of authority, and any conduct that could undermine public trust.

The CPSI integrates this Code into all aspects of its operations. It is actively supported by the Corporate Services unit, which oversees its ethical implementation. This includes monitoring compliance with financial disclosure requirements, coordinating employee onboarding sessions, conducting awareness sessions, and ensuring that appropriate vetting and security clearance procedures are followed.

When applicable, and where a breach of the Code of Conduct is suspected, the matter is investigated in accordance with the provisions of the Public Service Co-ordinating Bargaining Council (PSCBC) Resolutions, particularly Resolutions 14 of 2002 and 1 of 2003. These outline formal and informal disciplinary procedures applicable in the public service. Depending on the nature and severity of the breach, appropriate actions such as counselling, formal warnings, or disciplinary hearings are initiated. All cases are assessed fairly, and due process is observed to ensure accountability while respecting the rights of employees.

By embedding the Code of Conduct into its systems and culture, the CPSI upholds professionalism and bolsters public confidence in its role as a government entity responsible for fostering innovation in the public service.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

As a sub-tenant within the DPSA, the CPSI actively participates in all health, safety, and environmental (HSE) initiatives coordinated by the DPSA. This includes representation on the Occupational Health and Safety (OHS) Committee, where the CPSI helps review and develop safety procedures, evacuation protocols, and workplace safety awareness activities.

Throughout the 2024/25 financial year, CPSI staff took part in various planned and unplanned emergency drills, including fire evacuation exercises and simulated medical response activities. These initiatives are vital for enhancing preparedness, ensuring staff responsiveness during emergencies, and fostering a safe working environment for both employees and visitors.

The ongoing health and safety challenges associated with the deteriorating infrastructure of the current DPSA building – including water leaks and ceiling hazards – continued to pose risks during the reporting period. These issues, which are beyond CPSI's direct control, prompted the organisation to engage with the DPSA and DPWI to accelerate the relocation process. In the meantime, CPSI adopted internal mitigation measures such as flexible and hybrid work arrangements and risk reporting protocols to protect employee well-being.

Despite these challenges, CPSI has remained dedicated to maintaining a safe and environmentally conscious workplace. Staff members are routinely reminded of safety practices, and feedback mechanisms are in place to report hazards promptly. Environmental considerations, while limited by the shared tenancy model, are integrated into daily operations through resource-efficient practices like reduced paper use, digital workflows, and shared equipment.

These health and safety measures not only ensure compliance with the Occupational Health and Safety Act and related regulations but also reflect CPSI's broader commitment to fostering a workplace culture rooted in responsibility, care, and continuous improvement.

7. PORTFOLIO COMMITTEES

During the financial year under review, the CPSI was invited to the Portfolio Committees on Public Service and Administration as well as Planning, Monitoring and Evaluation, respectively. The engagements are indicated below.

Date of the meeting	Matters raised by the Portfolio Committee	How the matters were addressed
09 July 2024	Briefing to the Portfolio Committee on the Annual Performance Plan for the 2024/2025 Financial Year	The CPSI presented, and the Committee members made comments and asked questions to which answers were provided by the CPSI
21 August 2024	Orientation Workshop of the Portfolio Committee on Public Service and Administration, which includes the mandate and functions of the CPSI	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI
16 October 2024	Progress report on the implementation of the recommendations contained in the budget reports 2024/25 financial year Briefing on the annual reports for 2023/24 financial year	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI
26 February 2025	Briefing on the first to third quarter performance of 2024-2025 financial year	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI
24-25 March 2025	Portfolio Committee Oversight visit to North West province	CPSI officials accompanied the Portfolio Committee on an Oversight visit in North West province
26-28 March 2025	Portfolio Committee Oversight visit to Gauteng province	CPSI officials accompanied the Portfolio Committee on an Oversight visit in Gauteng province

Key matters raised by the Portfolio Committee include the following, and to which the CPSI has appropriately responded:

- The CPSI has to improve and strengthen stakeholder management to ensure that discovered innovative solutions get replicated and are utilised once handed over to the relevant government departments.
- The CPSI has to play a role in assisting the Department of Public Service and Administration by developing innovative solutions to digitise most of the administrative business processes by moving away from manual application forms to paperless applications, especially with regard to human resource business operations.
- The CPSI should be well-resourced and capacitated to play a meaningful role in assisting government departments in discovering new innovative solutions to enhance service delivery, mainly because it operates within a shared services environment.

8. SCOPA RESOLUTIONS

The CPSI did not appear in front of SCOPA in the period under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The CPSI received an unqualified audit opinion with no material findings for the 2023/24 financial year. This maintains the entity's record of eight consecutive clean audits, with no qualifications, disclaimers, adverse opinions, or material matters of non-compliance reported by the Auditor-General of South Africa (AGSA).

Therefore, there are no unresolved audit issues from previous years that need addressing or correction during the 2024/25 reporting period.

The CPSI remains dedicated to maintaining high standards of financial governance and internal control. Systems such as the Audit Action Plan, internal reviews, and regular engagements with AGSA continue to assist in the early detection and resolution of potential audit risks.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
None	Not applicable	No audit modifications to address

10. INTERNAL CONTROL UNIT

During the 2024/25 financial year, the CPSI's internal control unit continued to play a critical role in strengthening the organisation's governance framework. Despite CPSI's relatively small size, a robust internal control system has been successfully maintained, integrating key policies and procedures across core operational areas, including financial management, supply chain management, and human resources. This system supports organisational integrity and ensures compliance with relevant legislative and regulatory requirements.

Throughout the year, the unit collaborated closely with the DPSA Internal Audit Function, which offers independent assurance on the adequacy and effectiveness of internal controls. Detailed internal audit reports were produced, containing findings, recommendations, and risk-based insights. The internal control unit reviewed these reports, prioritised areas for improvement, and assisted management in implementing corrective actions.

In collaboration with the Executive Committee and the Audit and Risk Committee, the unit participated in quarterly reviews to assess the effectiveness of existing controls. These oversight mechanisms enabled timely identification and resolution of control deficiencies, thereby promoting accountability and operational efficiency.

Management has maintained high confidence in the organisation's internal control environment, supported by evidence of ongoing improvements and positive audit outcomes. Controls were consistently evaluated as adequate and resilient, empowering CPSI to effectively manage risk and deliver on its mandate with integrity and compliance.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1. Internal Audit Function (IAF)

- o **Purpose and mandate:** The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU.
- o **Vision and strategy:** The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU.
- o **Charter, methodology and internal audit plans:** The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU. Through the Internal Audit services provided, a three-year rolling plan 2024-2027 and a one-year operational plan 2024/25 were developed and approved by the shared Audit and Risk Committee.
- o **Independence and objectivity:** The Internal Audit services provided by the DPSA have maintained its independence and objectivity throughout the financial year.
- o **Internal audit modality:** Through the services provided by the DPSA, the Internal Audit modelled its services to a variety of auditable areas, which include:
 - Financial audits that focus on the accuracy and reliability of the organisation's financial records and reports
 - Operational audits that assess the efficiency and effectiveness of the organisation's operational processes, systems, and controls
 - Compliance audits that evaluate the organisation's adherence to applicable laws, regulations, policies, and internal procedures
 - Information and Communication Technology (ICT) audits that focus on the security, reliability, and effectiveness of the organisation's information technology systems
 - Performance audits that assess the effectiveness and efficiency of specific programmes or projects within the organisation
 - Risk audits that assess the risks associated with various aspects of the organisation's operations
 - Specialised audits that are tailored to specific areas or needs as and when required
- o **Staffing:** The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the DPSA through an MOU.
- o **Quality assurance and improvement program:** The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU.

The following audit work was planned and completed by Internal Audit:

Financial information:

- Annual Financial Statements 2023/24
- First-quarter Interim Financial Statements 2024/25
- Second-quarter Interim Financial Statements 2024/25
- Third-quarter Interim Financial Statements 2024/25

Performance Information:

- Fourth-quarter 2023/2024 performance information review
- First-quarter 2024/2025 performance information review
- Second-quarter 2024/2025 performance information review
- Third-quarter 2024/2025 performance information review
- Draft Strategic Plan and 2025/26 Annual Performance Plan

Operational Information

- Assessment Management
- Supply Chain Management
- Information Communication Technology

- o No **Ad hoc projects** were requested by management during the financial year.
- o **Internal audit recommendations:** Internal audit has made recommendations through its reports, which were agreed upon and implemented by management.
- o **Value add:** The Internal Audit service was able to add value in critical areas of the organisation, such as financials, operations and performance.
- o No **limitation of scope** was experienced by the Internal Audit service.

11.2. Audit Committee

- o **Purpose:** The purpose of the Audit & Risk Committee is to assist Management in fulfilling its oversight responsibilities for the financial reporting and performance management processes, the system of internal control and risk management, the audit process, and the Government Components' process for monitoring compliance with laws and regulations and the code of conduct.
- o **Mandate:** The Audit and Risk Committee (ARC) derives its mandate from the Public Finance Management Act (1999) (PFMA), section 38(1)(a)(ii) which requires the Accounting Officer to establish a system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations prescribed in terms of sections 76 and 77.
- o **Independence:** The ARC is independent from both management and the public service.
- o **Protecting the independence of the internal audit function:** The ARC has, throughout the year, protected the independence of internal audit services and ensured that there is accountability regarding the MOU for the provision of such services by DPSA.

- o **Performance against statutory duties:** The ARC has discharged its responsibilities under the Public Finance Management Act and the Treasury Regulations. The ARC adopted formal Terms of Reference as its Charter to regulate and govern its operations. The ARC held seven meetings during the 2024/25 financial year. The table below discloses relevant information on the audit committee members and the attendance of meetings by each member.
- o **Composition of the Committee:** The ARC is comprised of four members (including the Chairperson) who are all independent from the Public Service.
- o **Meeting attendance:** The table below demonstrates the number of meetings attended by each member.
- o **Combined assurance:** The ARC has played an oversight role in ensuring that management develops a Combined Assurance Strategy and Implementation plan, which is monitored every quarter. The committee provides assurance within the list of assurance providers identified in the strategy.
- o **Resolution of audit committee recommendations:** The ARC has made several recommendations to management through its quarterly meetings, and these recommendations were agreed upon and implemented by management.
- o **Audit committee performance evaluation:** The ARC has assessed its performance for the 2024/25 financial year and received a perfect score of five out of five, with five indicating excellence.

11.3. Attendance of Audit Committee Meetings by Audit Committee Members

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

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Dr Pritish Dala (Chairperson)	PHD (IT), M.IT, BSc Computer Science (Hons), B.IT, CD(SA), CDPSE, CEH, CGEIT, CHFI, CISA, CISM, CISSP, COBIT, CRISC, ACCISO, ISAP(SA), ISMP(SA), LA27001	ISACA, ISC2, IODSA, EC-COUNCIL	01 October 2019	31 October 2025	8/8	Yes	No	14	9
Mr Ameen Amod	MBA; BCom; Certified Internal Auditor (CIA-IIA); Certified Government Audit Professional (CGAP-IIA); Certified Risk Management Assurance (CRMA); Certified Director - IODSA	SAICA; IIA; IRMSA; IODSA	01 October 2019	31 October 2025	8/8	Yes	No	10	2

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Ms Sizo Mzizi	Certified Director ACG, Postgraduate diploma in corporate law, UJ Postgraduate certificate in corporate governance, UJ ACMA CGMA, BCom Honours Financial Management, UJ B.Tech: Cost and Management Accounting, Technikon Natal Higher diploma in education, UKZN	CIMA CGISA IODSA	01 March 2022	28 Feb 2028	8/8	Yes	No	6	1
Ms Nyawa Dikwayo	CA (SA) Master of Philosophy in Development Finance Postgraduate Diploma in Applied	SAICA	1 March 2022	22 March 2028	7/8	Yes	No	5	4

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
	Accounting Sciences Bachelor of Commerce Accounting								

11.4. Remuneration of audit committee members

- **Rates**
R3,341.00
- **Whether audit committee members who worked or are working for an organ of state are being remunerated.**
None of the committee members is working for an organ of state.
- **Total audit committee expenditure for the reporting period.**
R489,289.45

12. AUDIT COMMITTEE REPORT

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ending 31 March 2025, organised into the following three sections:

Part 1: 2024/25 Audit and Risk Committee Reflections

The ARC is established as a statutory advisory committee in terms of sections 38 (1) (a) (ii), 76 (4) (d), and 77 of the Public Finance Management Act (PFMA), as well as Treasury Regulation 3.1.1 to 3.1.16. The purpose of the ARC, in accordance with Treasury Regulation 3.1.10 and 3.1.11, is to provide independent oversight over financial and non-financial information, including performance data, information communication technology, risk management, human resource management, legal and compliance issues, governance, internal control, accounting and audit concerns, legal and regulatory compliance, investigation matters, and the activities of internal and external auditors. Our values as an ARC are grounded in the principles of strategic ethical leadership and focus, with a strong emphasis on independence, objectivity, transparency, performance, and an unwavering commitment to fostering a culture of accountability.

To guarantee the independence of the ARC, all members were appointed from outside the public service. At the start of each meeting, members are required to declare any potential conflicts of interest. The ARC reports directly to the Accounting Officer and has unrestricted access to the Executive Authority and the Auditor-General South Africa (AGSA), further strengthening its independent role. During the reporting period, the ARC operated without interference and maintained constructive, professional relationships with Management, the Accounting Officer, the Executive Authority, and key assurance providers, including Risk Management, Internal Audit, and the AGSA.

The Chief Audit Executive (CAE) reports functionally to the ARC in accordance with the Global Internal Audit Standards (GIAS) and Treasury Regulation 3.2.6. The CAE has unrestricted access to the ARC and may engage directly, including in private meetings without Management present. The ARC also approves the Internal Audit Charter, which among other provisions defines the internal audit mandate, safeguards independence, and outlines the scope and nature of internal audit services. Furthermore, the ARC reviews and approves the risk-based three-year rolling and annual audit plans, as well as any ad-hoc assurance or advisory requests received from Management.

The ARC fully recognises and has incorporated the GIAS requirements by overseeing the revision of the ARC Charter and Internal Audit Charter. Moreover, the ARC confirmed that the Chief Audit Executive initiated a process to attain full compliance with the GIAS, which involved reviewing the Internal Audit Methodology and developing the Internal Audit Strategy.

The ARC has fulfilled its responsibilities in accordance with sections 38(1)(a)(ii), 76(4)(d), and 77 of the Public Finance Management Act (PFMA), as well as Treasury Regulations 3.1.8 to 3.1.16. The Committee also adopted formal terms of reference as its Charter and has managed its affairs in full compliance with this Charter, effectively discharging all responsibilities contained therein. Additionally, evaluations of the ARC, the Internal Audit function, and the Finance function were carried out during the reporting period, with no significant issues identified.

Part 2: Audit and Risk Committee Composition and Meeting Attendance

The ARC consists of four independent members and is properly constituted, with a balanced representation of independents and a diverse, suitable mix of qualifications, skills, and experience. The committee met eight times during the year, with four meetings being ordinary and the rest being special meetings.

The detailed ARC composition and meeting attendance are provided below.

Name (Position)	Qualifications	Is the AC member an employee of an organ of state?	Number of ordinary meetings attended	Number of special meetings attended
Dr Prittish Dala (Chairperson)	PhD (Information Technology) Master's (Information Technology) BSc Hons (Computer Science) Bachelor of Information Technology Chartered Director South Africa CD(SA) Certified Information Systems Auditor (CISA) Certified in the Governance of Enterprise Information Technology (CGEIT) Certified in Risk and Information Systems Control (CRISC) Certified Information Security Manager (CISM) Certified Information Systems Security Professional (CISSP) Certified Data Privacy Solutions Engineer (CDPSE) Lead Auditor ISO 27001 (LA ISO 27001) Certified Ethical Hacker (CEH) Computer Hacking Forensic Investigator (CHFI)	No	4	4
Mr Ameen Amod (Member)	MBA BCom Certified Internal Auditor (CIA-IIA) Certified Government Audit Professional (CGAP-IIA) Certified Risk Management Assurance (CRMA-IIA) Chartered Director South Africa CD(SA)(IoDSA)	No	4	4
Ms Sizo Mzizi (Member)	Certified Director (IoDSA) ACG (CGISA) Post Graduate Diploma in Corporate Law Post Graduate Certificate in Corporate Governance ACMA CGMA (CIMA) BCom Honours Financial Management B.Tech: Cost and Management Accounting Higher Diploma in Education	No	4	4
Ms Nyawa Dikwayo (Member)	CA (SA) Master of Philosophy in Development Finance Postgraduate Diploma in Applied Accounting Sciences Bachelor of Commerce Accounting	No	4	3

Part 3: Audit and Risk Committee Focus Areas

The key focus areas addressed by the ARC during the reporting period are detailed below.

Effectiveness of the Internal Control Systems

An assessment of the findings raised by Internal Audit, along with the audit and management reports submitted to the ARC by the AGSA, indicates that the internal control systems are generally adequate and effective.

Effectiveness of the Internal Audit Function

The ARC is satisfied that Internal Audit provided independent assurance in terms of governance, risk management, and internal control as per the approved risk-based audit plan. At the end of the financial year, the following audit engagements had been completed as per the approved risk-based audit plan:

- 2023/24 Fourth-Quarter Performance Information Review
- 2023/24 Annual Financial Statements Review
- 2024/25 First-Quarter Interim Financial Statements Review
- 2024/25 Second-Quarter Interim Financial Statements Review
- 2024/25 Third-Quarter Interim Financial Statements Review
- 2024/25 First-Quarter Performance Information Review
- 2024/25 Second-Quarter Performance Information Review
- 2024/25 Third-Quarter Performance Information Review
- 2025-2030 Strategic Plan and 2025/26 Annual Performance Plan Review
- Asset Management Review
- Information Communication Technology Review
- Supply Chain Management Review

Effectiveness of Risk Management, Anti-Corruption and Fraud, Ethics, Combined Assurance, Compliance Management and Business Continuity Management

The ARC carried out its oversight responsibilities related to the enterprise risk management mandate, which included risk management, anti-corruption and fraud, ethics, combined assurance, compliance management, and business continuity management. The ARC is pleased with the ongoing improvement in the maturity of the risk management processes, as evidenced by the increased implementation of risk mitigation actions by the respective risk owners, as well as progress in anti-corruption and fraud, ethics, and compliance management. The policies covering all aspects of the risk management mandate are in place, although further improvement is needed to ensure the effective implementation of combined assurance and business continuity management.

Quality of the In-Year Management and Quarterly Reports (Adequacy, Reliability and Accuracy of Financial and Performance Information)

CPSI has submitted quarterly reports to the National Treasury and the Executive Authority as required by the PFMA. The ARC and assurance providers offered Management recommendations to improve the quality of quarterly and, where applicable, annual financial and non-financial reporting (including performance information, information communication technology, risk management, human resource management, legal and compliance) during the review period.

Evaluation of the Annual Financial Statements and Annual Report

Regarding the evaluation of the annual financial statements and annual report, the ARC has reviewed the following:

- Unaudited annual financial statements, with due regard to the independent assurance provided by Internal Audit as well as the assurance supplied by Management
- Changes in accounting policies and practices where applicable
- Compliance with legal and regulatory provisions
- The basis for the going concern assumption, including any financial sustainability risks and issues
- Unaudited annual performance information on predetermined objectives, considering the independent assurance from Internal Audit and the assurance from Management
- AGSA audit and management reports, incorporating Management's responses

- Audited Annual Financial Statements and the annual performance information on predetermined objectives to be included in the annual report, reflecting any significant adjustments resulting from the external audit process and reported to the Accounting Officer

External Audit

With regard to the AGSA, the ARC reviewed and considered the following matters during the reporting period:

- The proposed audit scope, approach, and audit fees for the year as detailed in the audit strategy and engagement letter
- The AGSA findings and recommendations, together with Management's responses
- Recommended that Management develop an audit action plan to address the root causes of the AGSA findings, with monitoring to take place at both the audit steering committee and executive committee levels to prevent the recurrence of findings
- Monitored the implementation of the AGSA audit action plan on a quarterly basis
- The level of coordination between AGSA and Internal Audit
- Private meetings held with the AGSA to discuss matters deemed appropriate for confidential discussion by either party
- Ensured that there were no unresolved disputes between Management and AGSA; and
- Monitored the quality and effectiveness of the external audit process

AGSA Report

The ARC agrees with the AGSA's conclusions on the annual financial statements and believes that the audited financial statements can be read alongside the AGSA's audit report.

Conclusion

We would like to thank the Executive Authority and Accounting Officer for their leadership and support, as well as all other assurance providers. Most importantly, we commend the CPSI for achieving an eight consecutive "clean" audit opinion (unqualified with no material findings).



Dr P Dala
Chairperson of the Audit and Risk Committee
Centre for Public Service Innovation
Date: 12/08/2025

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	Response	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to the CPSI. The CPSI does not issue licences or concessions.
Developing and implementing a preferential procurement policy?	Yes	The CPSI's Supply Chain Management Policy includes preferential procurement measures aligned to the Preferential Procurement Policy Framework Act (PPPFA) and the B-BBEE Codes of Good Practice. Supplier evaluation includes B-BBEE contribution levels where applicable.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to the CPSI. The CPSI is not involved in the sale or disposal of state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to the CPSI. The CPSI does not engage in revenue-generating PPPs or investment-based partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Not applicable to the CPSI. The CPSI does not manage or issue grants or incentive schemes.

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

This section of the Annual Report is mandated by the Minister for the Public Service and Administration for all departments within the public service. It offers an overview of the CPSI's human resource management environment, along with its achievements and challenges for the financial year under review.

2. OVERVIEW OF HUMAN RESOURCES

During the 2024/25 financial year, the CPSI operated within a stable and effective human resources environment. The CPSI maintained a lean, yet multi-skilled team aligned with its strategic objectives. Notably, two system developers were employed during the review period to bolster the CPSI's internal digital development capacity. The overall staff complement remained fairly stable, and the organisational structure was unchanged. In this context, the CPSI continued to optimise the deployment of personnel to support the implementation of Programme 1: Administration and Programme 2: Public Sector Innovation.

The CPSI's human resource priorities during the reporting period focused on maintaining performance despite infrastructure-related disruptions, advancing HR digitalisation efforts, and ensuring compliance with legislative frameworks. These priorities had a positive impact, contributing to a resilient workforce, continuous service delivery, and sustained audit readiness. Despite budget constraints, the CPSI successfully maintained staffing levels and continued to foster a high-performance culture.

Workforce planning remained a key focus, with attention to personnel development, internal capacity strengthening, and targeted recruitment for critical roles. The CPSI used the Public Service Vacancy Circular to advertise positions and placed strong emphasis on adhering to recruitment procedures. Opportunities for internal growth were pursued, and partnerships with the National School of Government and other innovation entities helped expose staff to broader learning and development platforms.

The implementation of the Performance Management and Development System (PMDS) continued in accordance with DPSA prescripts. Staff members signed performance agreements, and assessments were conducted as scheduled. Line managers received support and guidance throughout the performance cycle to ensure compliance and quality assurance. Performance management remained a strategic tool to align individual performance with organisational priorities and to identify development needs.

The CPSI prioritised employee wellness in light of ongoing challenges related to office accommodation and occupational health risks. Hybrid work arrangements persisted, and employees had access to the Employee Health and Wellness Programme (EHWP) facilitated through the DPSA. Wellness communication, mental health awareness, and management support were maintained throughout the year to foster a healthy and productive workforce.

Among the CPSI's key achievements were maintaining a stable labour environment, achieving full compliance with HR performance reporting, and making continued progress in digitising internal processes. The CPSI's ability to retain skilled personnel despite resource constraints was also notable. However, the organisation faced challenges such as limited internal mobility due to its small size and the inability to fill all posts because of fiscal restrictions. Additionally, health and safety concerns related to the DPSA accommodation required ongoing mitigation.

Looking ahead, the CPSI aims to further enhance its HR systems by modernising records management and introducing digital tools to improve efficiency. Plans include developing a skills pipeline through partnerships that support youth and early-career professionals in innovation-focused roles. Future HR objectives encompass strengthening talent development frameworks,

continuing the implementation of wellness programmes, and aligning HR capacity with the evolving digital and innovation mandate of the public sector.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel-related Expenditure

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

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

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

Programme	Total expenditure R'000	Personnel expenditure R'000	Training expenditure R'000	Professional and special services expenditure R'000	Personnel expenditure as a % of total expenditure	Average personnel cost per employee R'000
Programme 1: Administration	20,337	10,723	250	648	53%	596
Programme 2: Public Sector Innovation	21,413	14,608	195	40	68%	913
Total	41,750	25,331	445	688	61%	745

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

Salary band	Personnel expenditure R'000	% of total personnel cost	No. of employees	Average personnel cost per employee R'000
Lower-skilled (Levels 1-2)	493	2%	4	123
Skilled (Levels 3-5)	1,093	4%	3	364
Highly skilled production (Levels 6-8)	3,690	15%	8	461
Highly skilled supervision (levels 9-12)	11,718	46%	14	837
Senior and Top management (Levels 13-16)	8,337	33%	5	1,667
Total	25,331	100%	34	745

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	9,204	85.83%	130	1.21%	201	1.87%	559	5.21%
Programme 2: Public Sector Innovation	13,000	88.99%	0	0.00%	192	1.31%	376	2.57%
Total	22,204	87.66%	130	0.51%	393	1.55%	935	3.69%

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 1-2)	317	64.30%	16	3.25%	42	8.52%	79	16.02%
Skilled (Levels 3-5)	778	71.18%	-	0.00%	63	5.76%	158	14.46%
Highly skilled production (Levels 6-8)	2,772	75.12%	74	2.01%	148	4.01%	362	9.81%
Highly skilled supervision (Levels 9-12)	10,585	90.33%	40	0.34%	61	0.52%	237	2.02%
Senior management (Levels 13-16)	7,752	92.98%	-	0.00%	79	0.95%	99	1.19%
Total	22,204	87.66%	130	0.51%	393	1.55%	935	3.69%

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	21	19	9.5%	2
Programme 2: Public Sector Innovation	15	15	0.0%	-
Total	36	34	5.6%	2

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower-skilled (1-2)	4	4	0.0%	2
Skilled (3-5)	3	3	0.0%	-
Highly skilled production (6-8)	9	8	11.1%	-
Highly skilled supervision (9-12)	14	14	0.0%	-
Senior management (13-16)	6	5	16.7%	-
Total	36	34	5.6%	2

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
None	-	-	-	-

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	-	0.0%	1	100%
Salary Level 16	-	-	-	-	-
Salary Level 15	-	-	-	-	-
Salary Level 14	3	3	100.0%	-	0%
Salary Level 13	2	2	100.0%	-	0%
Total	6	5	83.3%	1	17%

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	-	0.0%	1	100%
Salary Level 16	-	-	-	-	-
Salary Level 15	-	-	-	-	-
Salary Level 14	3	3	100.0%	-	0%
Salary Level 13	2	2	100.0%	-	0%
Total	6	5	83.3%	1	17%

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

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
The Executive Director post became vacant on 1 October 2018. A moratorium on the filling of posts was instituted by the Executive Authority in 2019 and was only lifted in 2021. Although Presidential Minutes were submitted and approval was obtained for advertising, the recruitment process was delayed when the former acting Executive Authority instructed a restart of the process despite earlier progress.
Reasons for vacancies not filled within twelve months
After the moratorium was lifted and a compliant advert was approved on 24 February 2022, the recruitment process restarted. The post was advertised as per the relevant DPSA Directives, and shortlisting was concluded. Delays occurred due to the need for compliance with updated recruitment prescripts and changes in leadership. Interviews were subsequently conducted, and a nomination was made. The appointment is pending concurrence of Cabinet as required by Public Service Regulation 67(7), which stipulates that appointments at the level of Head of a Government Component must be made in concurrence with Cabinet.

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

Reasons for vacancies not advertised within six months
No disciplinary steps were taken. The CPSI executed its administrative responsibilities as required. The recruitment and appointment processes for this post fall under the authority of the Minister for the Public Service and Administration, and final appointment requires Cabinet concurrence in terms of Public Service Regulation 67(7).
Reasons for vacancies not filled within six months
No disciplinary steps were taken. The CPSI fulfilled all required administrative actions within its mandate. As the post is filled through a process led by the Executive Authority and subject to Cabinet concurrence, no fault or neglect can be attributed to officials of the CPSI.

3.4 Job Evaluation

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

Table 3.4.1 Job evaluation by salary band for the period 1 April 2024 to 31 March 2025

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower-skilled (Levels 1-2)	4	-	0.0%	-	-	-	-
Skilled (Levels 3-5)	3	-	0.0%	-	-	-	-
Highly skilled production (Levels 6-8)	9	-	0.0%	1	0.11%	-	-

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Highly skilled supervision (Levels 9-12)	14	-	0.0%	-	-	-	-
Senior Management Service Band A	2	-	0.0%	-	-	-	-
Senior Management Service Band B	3	-	0.0%	-	-	-	-
Senior Management Service Band C	1	-	0.0%	-	-	-	-
Senior Management Service Band D	-	-	0.0%	-	-	-	-
Total	36	-	0.0%	1	0.11%	-	-

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

Gender	African	Asian	Coloured	White	Total
Female	1	-	-	-	1
Male	-	-	-	-	-
Total	1	-	-	-	1

Employees with a disability	None
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Highly skilled production (Levels 6-8)	1	-	7	Grade progression
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				2.78%

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

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

Gender	African	Asian	Coloured	White	Total
Female	1	-	-	-	1
Male	-	-	-	-	-
Total	1	-	-	-	1

Employees with a disability	-	-	-	-	-
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Total number of Employees whose salaries exceeded the grades determined by job evaluation	1
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3.5 Employment Changes

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

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

Salary band	Number of employees at beginning of period -1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower-skilled (Levels 1-2)	2	-	-	0.0%
Skilled (Levels3-5)	3	-	-	0.0%
Highly skilled production (Levels 6-8)	8	-	-	0.0%
Highly skilled supervision (Levels 9-12)	12	2	-	0.0%
Senior Management Service Bands A	2	-	-	0.0%
Senior Management Service Bands B	3	-	-	0.0%
Senior Management Service Bands C	-	-	-	0.0%
Senior Management Service Bands D	-	-	-	0.0%
Contracts	2	1	1	50.0%
Total	32	3	1	3.1%

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

Critical occupation	Number of employees at beginning of period - April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None				

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

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

Termination Type	Number	% of Total Resignations
Death	-	0.0%
Resignation	1	100.0%
Expiry of contract	-	0.0%
Dismissal – operational changes	-	0.0%
Dismissal – misconduct	-	0.0%
Dismissal – inefficiency	-	0.0%
Discharged due to ill-health	-	0.0%
Retirement	-	0.0%
Transfer to other Public Service Departments	-	0.0%
Other	-	0.0%
Total	1	100.0%
Total number of employees who left as a % of total employment		3.1%

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

Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	-	-	-	-	-

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

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower-skilled (Levels 1-2)	2	-	0.00%	-	100.00%

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5)	3		0.00%	-	100.00%
Highly skilled production (Levels 6-8)	8	1	12.50%	-	55.60%
Highly skilled supervision (Levels 9-12)	12	-	0.00%	-	58.30%
Senior Management (Level 13-16)	5	-	0.00%	-	80.00%
Total	30	1	3.33%	-	73.33%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	-	-	1	2	-	-	1	5
Professionals	6	-	-	-	8	-	-	-	14
Technicians and associate professionals	2	-	-	-	5	-	-	1	8
Clerks	2	-	-	-	1	-	-	-	3
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	4	-	-	-	4
Total	11	-	-	1	20	-	-	2	34
Employees with disabilities	2	-	-	-	-	-	-	-	2

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior management	1	-	-	1	2	-	-	1	5
Professionally qualified and experienced specialists and mid-management	6	-	-	-	8	-	-	-	14
Skilled technical and academically qualified workers, junior	2	-	-	-	5	-	-	1	8

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
management, supervisors, foremen and superintendents									
Semi-skilled and discretionary decision-making	2	-	-	-	1	-	-	-	3
Unskilled and defined decision-making	-	-	-	-	4	-	-	-	4
Total	11	-	-	1	20	-	-	2	34

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

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

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	-	-	-	-	1	-	-	-	1
Semi-skilled and discretionary decision-making	-	-	-	-	-	-	-	-	-

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision-making	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	1	-	-	-	1
Employees with disabilities	-	-	-	-	-	-	-	-	-

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

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

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal warnings	2	-	-	-	-	-	-	-	2
Written warnings	2	-	-	-	-	-	-	-	2

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	-	-	2	2	-	-	-	5
Professionals	20	-	-	-	16	-	-	-	36
Technicians and associate professionals	2	-	-	-	9	-	-	1	12
Clerks	2	-	-	-	3	-	-	-	5
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	4	-	-	-	4
Total	25	-	-	2	34	-	-	1	62
Employees with disabilities	2	-	-	-	-	-	-	-	2

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2025

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	-	-	0.0%
Salary Level 16	-	-	-	0.0%
Salary Level 15	-	-	-	0.0%
Salary Level 14	3	3	3	100.0%
Salary Level 13	2	2	2	100.0%
Total	6	5	5	100.0%

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

Reasons
Not applicable

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

Reasons
None

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2024 to 31 March 2025

Race and gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	-	-	0.0%	-	-
Female	-	-	0.0%	-	-
Asian					
Male	-	-	0.0%	-	-
Female	-	-	0.0%	-	-
Coloured					
Male	-	-	0.0%	-	-

Race and gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Female	-	-	0.0%	-	-
White					
Male	-	-	0.0%	-	-
Female	-	-	0.0%	-	-
Total	-	-	0.0%	-	-

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower-skilled (Levels 1-2)	-	-	0.0%	-	-	0.0%
Skilled (Level 3-5)	-	-	0.0%	-	-	0.0%
Highly skilled production (Level 6-8)	-	-	0.0%	-	-	0.0%
Highly skilled supervision (Level 9-12)	-	-	0.0%	-	-	0.0%
Total	-	-	0.0%	-	-	0.0%

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
None	-	-	-	-	-

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	-	-	0.0%	-	-	0.0%
Band B	-	-	0.0%	-	-	0.0%
Band C	-	-	0.0%	-	-	0.0%
Band D	-	-	0.0%	-	-	0.0%
Total	-	-	0.0%	-	-	0.0%

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2024 to 31 March 2025

Salary band	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower-skilled	-	0.0%	-	0.0%	-	-
Highly skilled production (Lev. 6-8)	-	0.0%	-	0.0%	-	-

Salary band	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled supervision (Lev. 9-12)	-	0.0%	-	0.0%	-	-
Contract (Lev. 9-12)	-	0.0%	-	0.0%	-	-
Contract (Lev. 13-16)	-	0.0%	-	0.0%	-	-
Total	-	0.0%	-	0.0%	-	-

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

Major occupation	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
None	-	0.0%		0.0%		0.0%

3.10 Leave Utilisation

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

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower-skilled (Level 1-2)	25	4.0%	3	12.0%	8.2	25
Skilled (Levels 3-5)	30	11.0%	3	10.0%	10	45
Highly skilled production (Levels 6-8)	8	2.0%	2	25.0%	4	14.1
Highly skilled supervision (Levels 9 -12)	12	2.0%	6	50.0%	2	26.4
Top and Senior management (Levels 13-16)	22	3.0%	3	13.6%	7.3	66
Total	97	-	17	-	5.7	176.8

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower-skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	16	3	2	66.7%	5	28.8
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	16	3	2	66.7%	5	28.8

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

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower-skilled (Levels 1-2)	73	4	18
Skilled Levels 3-5)	82	3	27
Highly skilled production (Levels 6-8)	162	8	20
Highly skilled supervision (Levels 9-12)	210	14	15
Senior management (Levels 13-16)	104	5	21
Total	631	34	19

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2025
Lower-skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-

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

Table 3.10.5 Leave payouts for the period 1 April 2024 to 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2023/24 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2024/25	-	-	-
Current leave payout on termination of service for 2024/25	-	-	-
Total	-	-	-

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
No employees were identified as being at high risk. Measures remain in place to protect the rights and dignity of employees living with HIV, including the prevention of discrimination.	None

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		A member of the SMS, the Director: Corporate Services, was designated to implement the provisions outlined in the Public Service Regulations.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	While no standalone unit exists, responsibilities related to employee health and well-being fall within the scope of the Corporate Services function.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		An Employee Health and Wellness Programme, through the DPSA MoU, is in place, with key elements aimed at raising awareness and encouraging healthy living
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the		X	As no employees were identified to be at risk, the formation of a

Question	Yes	No	Details, if yes
Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.			dedicated committee was not required.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		Employment policies were reviewed during their development to ensure alignment with anti-discrimination principles related to HIV status.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		X	Preventive steps were taken to safeguard the rights of HIV-positive employees or those perceived to be HIV-positive. Key element: Implementation of measures to prevent stigma, ensure confidentiality, and promote a non-discriminatory workplace culture in line with HIV-related employment protections.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Employees were encouraged to participate in voluntary counselling and testing through health screening initiatives provided by GEMS.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	Currently, no formal measures or indicators have been developed to assess the impact of the health promotion programme.

3.12 Labour Relations

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

Subject matter	Date
Total number of collective agreements	None

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 to 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	2	66.7%
Written warning	2	33.3%
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	4	100%

Total number of disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 to 31 March 2025

Type of misconduct	Number	% of total
None	-	-

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

Grievances	Number	% of Total
Number of grievances resolved	-	0.00%
Number of grievances not resolved	-	0.00%
Total number of grievances lodged	-	0.00%

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

Disputes	Number	% of Total
Number of disputes upheld	-	0.00%
Number of disputes dismissed	-	0.00%
Total number of disputes lodged	-	0.00%

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

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 to 31 March 2025

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

3.13 Skills Development

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

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

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	11	1	12
	Male	2	-	7		7
Professionals	Female	7	-	24	1	25
	Male	7	-	4	3	7
Technicians and associate professionals	Female	6	-	11	3	14
	Male	2	-	2		2
Clerks	Female	1	-	-	-	-
	Male	2	-	-	-	-
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	4	3	1	1	5
	Male	-	-	-	-	-
Subtotal	Female	21	3	47	6	56
	Male	13	-	13	3	16

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Total		34	3	60	9	72

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

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	1	1	2
	Male	2	-	-	-	-
Professionals	Female	7	-	12	1	13
	Male	7	-	4	3	7
Technicians and associate professionals	Female	6	-	8	3	11
	Male	2	-	2	-	2
Clerks	Female	1	-	1	-	1
	Male	2	-	2	-	2
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	4	3	4	1	8
	Male	-	-	-	-	-
Subtotal	Female	21	3	26	21	35
	Male	13	-	8	13	11
Total		34	3	34	34	46

3.14 Injury on Duty

The following tables provide basic information on injuries on duty.

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

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	0.00%
Temporary total disability	-	0.00%
Permanent disability	-	0.00%
Fatal	-	0.00%
Total	-	0.00%

3.15 Utilisation of Consultants

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

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
PILIR monthly HRM fees for April 2024 based on 26 heads at a unit price of R9.91	1	1	257.66
PILIR monthly HRM fees for May 2024 based on 26 heads at a unit price of R9.91	1	1	257.66

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
PILIR monthly HRM fees for June 2024 based on 26 heads at a unit price of R9.91	1	1	257.66
Audit and Risk Committee Members for CPSI	3	1	60 138.00
Audit and Risk Committee Members for CPSI	3	1	36 751.00
Audit and Risk Committee Members for CPSI	1	1	19 210.75
Audit and Risk Committee Members for CPSI	1	1	26 895.05
PILIR monthly HRM fees for July 2024 based on 26 heads at a unit price of R9.91	1	1	257.66
PILIR monthly HRM fees for August 2024 based on 26 heads at a unit price of R9.91	1	1	257.66
Sign language interpretation services during the 2024 Public Sector Innovation Conference	1	2	40 290.00
Hiring of audio-visual technicians and equipment during the 2024 Public Sector Innovation Conference	8	2	424 500.00
Design thinking and innovation workshop	1	2	45 000.00
B-BBEE Certificate issued	1	45	35 000.00
PILIR monthly HRM fees for September 2024 based on 31 heads at a unit price of R9.91	1	1	307.21
Audit and Risk Committee Members for CPSI	3	1	85 195.50
Audit and Risk Committee Members for CPSI	1	1	11 526.45
Audit and Risk Committee Members for CPSI	1	1	28 816.13
Design thinking and innovation workshop	1	2	45 000.00
PILIR monthly HRM fees for October 2024 based on 31 heads at a unit price of R9.91	1	1	307.21
Risk Management Services	1	121	121 140.00
PILIR monthly HRM fees for November 2024 based on 31 heads at a unit price of R9.91	1	1	307.21
Audit and Risk Committee Members for CPSI	3	1	81 854.50
Audit and Risk Committee Members for CPSI	1	1	49 947.95
Hiring of audio-visual technicians and equipment during the 2024 Batho Pele Excellence and Public Sector Innovation Awards	7	1	273 247.50
Design thinking and innovation workshop	1	2	45 000.00
PILIR monthly HRM fees for January 2025 based on 31 heads at a unit price of R9.91	1	1	307.21
Design thinking and innovation workshop	1	2	43 000.00
PILIR monthly HRM fees for March 2025 based on 31 heads at a unit price of R9.91	1	1	307.21
Audit and Risk Committee Members for CPSI	1	1	28 816.12
Audit and Risk Committee Members for CPSI	3	1	43 433.00
Audit and Risk Committee Members for CPSI	1	1	16 705.00
Design thinking and innovation workshop	1	2	43 000.00
Design thinking and innovation workshop	1	2	43 000.00

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
8	56	205	1 650 291.30

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2024 to 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Sign language interpretation services during the 2024 Public Sector Innovation Conference	100%	100%	1
Hiring of audio-visual technicians and	100%	100%	8

equipment during the 2024 Public Sector Innovation Conference			
Design thinking and innovation workshop	100%	100%	7
B-BBEE Certificate issued	100%	100%	1
Risk Management Services	100%	100%	5

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2024 to 31 March 2025

Project title	Total Number of consultants that worked on project	Duration (workdays)	Donor and contract value in Rand
None	-	-	-

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
None	-	-	-

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2024 to 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	-	-	-

3.16 Severance Packages

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

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower-skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-

PART E: PFMA COMPLIANCE REPORT

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

1.1 Irregular Expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	-	-

Reconciling notes

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	-	-

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

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

No irregular expenditure under assessment, determination and investigation for the period under review.

c) Details of irregular expenditure condoned

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure condoned	-	-
Total	-	-

No irregular expenditure condoned for the period under review.

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

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

No irregular expenditure not condoned for the period under review.

e) Details of irregular expenditure recoverable

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

No irregular expenditure recoverable for the period under review.

f) Details of irregular expenditure written off (irrecoverable)

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

No irregular expenditure written off for the period under review.

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None

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

Description	2024/2025	2023/2024
	R'000	R'000
None	-	-

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

Disciplinary steps taken
None

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	16	-
Less: Fruitless and wasteful expenditure recoverable	(12)	-
Less: Fruitless and wasteful expenditure not recoverable and written off	(4)	-
Closing balance	-	-

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-

Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	16	-
Total	16	-

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	12	-
Total	12	-

During the period under review, the CPSI had three (3) cases of fruitless expenditure recoverable:

- **R6,657.25** – The incident originated from a missed flight within the Enabling Environment and Stakeholder Management unit, which resulted in additional expenses for an extra day of accommodation and shuttle services. The expenditure was deemed fruitless and wasteful as the flight was charged as a no-show. The matter was reported to the Accounting Officer and National Treasury. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.
- **R4,485.25** – This amount resulted from unauthorised changes to flight bookings, leading to additional charges due to a lack of prior confirmation with the Travel Agent or Finance Unit. The Loss Control Committee found no evidence of fraud or misconduct and attributed the incident to procedural oversight. Consequence management included a written warning to the travel booker and verbal warnings to the affected officials. The write-off was recommended by Legal Services, the CFO, and the Loss Control Committee, and approved by the Executive Director in line with Treasury Regulation 12.6.1.
- **R2,237.69** – The fruitless expenditure resulted from a missed flight within the Enabling Environment and Stakeholder Management unit for the Communication and Stakeholder Training scheduled on 2 December 2024. The airline charged the full amount for the flight as a no-show, as the traveller checked in after the scheduled departure time. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.
- **R2,617.38** – Non-refundable duplicate flight tickets that were cancelled too late to recoup costs. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	4	-
Total	4	-

A case of fruitless and wasteful expenditure amounting to R4,485.25 was written off during the period under review. The incident arose from unauthorised changes to flight bookings, which incurred additional costs due to a lack of prior confirmation with the Travel Agent or Finance unit. The matter was reviewed by the Loss Control Committee, which found: No evidence of fraudulent, corrupt, or criminal-related act could be determined. The incident was the first of its kind, and the travel Booker thus did not have access to the online booking system at all times. The responsible employees could not be held financially liable; the Loss Control Committee recommended that the Accounting Officer write off the fruitless expenditure in accordance with the applicable legislation and prescripts.

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

Disciplinary steps taken
A written warning was issued to the Travel Booker to ensure compliance with the Travel Policy and all applicable legislation. The written warning for not ensuring that there are no costs and for not examining any correspondence from the travel agency to prevent future recurrence of similar losses to the department
Two verbal warnings were issued relating to fruitless and wasteful travel, which were written off with recommendations from the LCC that the responsible employees/travellers should, in future, advise the travel Booker to book flexible tickets after consulting with Finance in case there are uncertainties regarding meetings conflicting with the travel.

1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

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

Reconciling notes

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

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

Description	2024/2025 R'000	2023/2024 R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

a) Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)

Details of material losses through criminal conduct

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

a) Details of other material losses

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

b) Other material losses recoverable

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

c) Other material losses not recoverable and written off

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

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	511	19,300
Invoices paid within 30 days or agreed period	510	19,235
Invoices paid after 30 days or agreed period	1	65
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

The CPSI processed 511 payments for the period under review. One (1) payment was recorded as having exceeded 30 days for the period under review. The payment was submitted late to Finance, which led to late authorisation; however, the payment was subsequently paid. The overall average payment days was 3.27 days compared to 3.46 days for the same period in 2023/24.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement other means	Contract number	Value of contract R'000
None				

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Helpdesk, desktop, server, network, and management services for a period of 3 months	Sizwe Africa IT Group	Expansion	OR-000739	1 649	775	194
Total				1 649	775	194

PART F: FINANCIAL INFORMATION

Report of the auditor-general to Parliament on the Centre for Public Service Innovation

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Centre for Public Service Innovation (CPSI) set out on pages 97 to 122, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the government component as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury 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.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 123 to 127 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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 Modified Cash Standard (MCS) and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 on pages 6-7 of the annexure to the auditor's report, forms part of my auditor's report.

Report on 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to programme 2: public sector innovation presented in the annual performance report for the year ended 31 March 2025. I selected a programme that measures the government component's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme 2	Page numbers	Purpose
Number of innovation research and development initiatives undertaken	40	Research and development establish the evidence base in support of the programme to inform the selection, development, testing and piloting of potential innovative models and solutions. It further facilitates the development of solutions within the public service and supports the development of the required skills base.
Number of innovative solutions replicated in the public sector	40	Institutional support and replication facilitates institutional support, demonstration, replication and mainstreaming of innovative solutions for the public sector
Number of Knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	40	Enabling environmental and stakeholder management nurtures and sustains an enabling innovative environment, entrenches a culture and practice of innovation in the public sector through innovative platforms and products, and develops and maintains partnerships and stakeholder relations to enhance collaboration

14. I evaluated the reported performance information for the selected material performance indicators 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
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures to report 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 indicators.

Report on compliance with legislation

18. 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.
19. 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.
20. 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.
21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. 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 those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
23. 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.
24. 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 material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
26. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor General

Pretoria
30 July 2025



A U D I T O R - G E N E R A L
S O U T H A F R I C A

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 material performance indicators 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 requirements¹

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 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 c 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
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 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
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



the cpsi

Government Component:
Centre for Public Service Innovation
REPUBLIC OF SOUTH AFRICA



ANNUAL FINANCIAL STATEMENTS FOR GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION

As at 31 March 2025

Date authorized for issue: **30 July 2025**

Authorised by: 

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CENTRE FOR PUBLIC SERVICE INNOVATION
APPROPRIATION STATEMENT
as at 31 March 2025

Appropriation per programme									
	2024/25							2023/24	
Programme	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	24 439	-	-	24 439	20 337	4 102	83.2%	21 829	20 532
2. Public Sector Innovation	23 500	-	-	23 500	21 413	2 087	91.1%	24 065	23 732
Total	47 939	-	-	47 939	41 750	6 189	87.1%	45 894	44 264
Departmental receipts				73				5	
Aid assistance				-				-	
Actual amounts per statement of financial performance (Total revenue)				48 012				45 899	
Actual amounts per statement of financial performance (Total expenditure)					41 750				44 264

Appropriation per economic classification									
	2024/25							2023/24	
Economic Classification	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	46 742	(643)	-	46 099	40 112	5 987	87.0%	43 289	41 663
Compensation of employees	28 704	-	-	28 704	25 331	3 373	88.2%	24 612	23 007
Goods and services	18 038	(643)	-	17 395	14 781	2 614	85.0%	18 677	18 656
Transfers and subsidies	2	-	-	2	-	2	0.0%	48	45
Departmental agencies and accounts	1	-	-	1	-	1	0.0%	1	-
Households	1	-	-	1	-	1	0.0%	47	45
Payments for capital assets	1 195	643	-	1 838	1 638	200	89.1%	2 557	2 556
Machinery and equipment	320	472	-	792	626	166	79.0%	2 557	2 556
Software and other intangible assets	875	171	-	1 046	1 012	34	96.8%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	47 939	-	-	47 939	41 750	6 189	87.1%	45 894	44 264

CENTRE FOR PUBLIC SERVICE INNOVATION
APPROPRIATION STATEMENT
as at 31 March 2025

PROGRAMME 1: ADMINISTRATION									
Sub programme	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Executive Support	5 289	(167)	-	5 122	2 541	2 581	49.6%	2 655	2 272
2. Corporate Services	11 879	673	-	12 552	11 276	1 276	89.8%	12 445	11 807
3. Office of the Chief Financial Officer	7 271	(506)	-	6 765	6 520	245	96.4%	6 729	6 453
Total	24 439	-	-	24 439	20 337	4 102	83.2%	21 829	20 532

Economic classification	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 397	(643)	-	22 754	18 741	4 013	82.4%	19 590	18 295
Compensation of employees	14 001	-	-	14 001	10 723	3 278	76.6%	10 956	9 664
Goods and services	9 396	(643)	-	8 753	8 018	735	91.6%	8 634	8 631
Transfers and subsidies	2	-	-	2	-	2	0.0%	7	6
Departmental agencies and accounts	1	-	-	1	-	1	0.0%	1	-
Households	1	-	-	1	-	1	0.0%	6	6
Payments for capital assets	1 040	643	-	1 683	1 596	87	94.9%	2 232	2 231
Machinery and equipment	165	472	-	637	584	53	91.7%	2 232	2 231
Software and other intangible assets	875	171	-	1 046	1 012	34	96.8%	-	-
Total	24 439	-	-	24 439	20 337	4 102	83.2%	21 829	20 532

CENTRE FOR PUBLIC SERVICE INNOVATION
APPROPRIATION STATEMENT
as at 31 March 2025

PROGRAMME 2: PUBLIC SECTOR INNOVATION									
Sub programme	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Research and Development	7 134	(86)	-	7 048	6 464	584	91.7%	7 702	7 517
2. Institutional Support and Replication	6 895	(107)	-	6 788	5 380	1 408	79.3%	5 523	5 485
3. Enabling Environmental and Stakeholder Management	9 471	193	-	9 664	9 569	95	99.0%	10 840	10 730
Total	23 500	-	-	23 500	21 413	2 087	91.1%	24 065	23 732

Economic classification	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 345	-	-	23 345	21 371	1 974	91.5%	23 699	23 368
Compensation of employees	14 703	-	-	14 703	14 608	95	99.4%	13 656	13 343
Goods and services	8 642	-	-	8 642	6 763	1 879	78.3%	10 043	10 025
Transfers and subsidies	-	-	-	-	-	-	-	41	39
Households	-	-	-	-	-	-	-	41	39
Payments for capital assets	155	-	-	155	42	113	27.1%	325	325
Machinery and equipment	155	-	-	155	42	113	27.1%	325	325
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	23 500	-	-	23 500	21 413	2 087	91.1%	24 065	23 732

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE APPROPRIATION STATEMENT
As at 31 March 2025

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements. No transfers and subsidies were made during the period under review.

2. Explanations of material variances from Amounts Voted (after Virement):

2.1. Per programme:

Programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	24 439	20 337	4 102	16.8%
Public Sector Innovation	23 500	21 413	2 087	8.9%
Total	47 939	41 750	6 189	12.9%

2.2. Per economic classification:

Economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure	46 099	40 112	5 987	13.0%
Compensation of employees	28 704	25 331	3 373	11.8%
Goods and services	17 395	14 781	2 614	15.0%
Transfers and subsidies	2	-	2	100.0%
Departmental agencies and accounts	1	-	1	100.0%
Households	1	-	1	
Payments for capital assets	1 838	1 638	200	10.9%
Machinery and equipment	792	626	166	21.0%
Software and other intangible assets	1 046	1 012	34	
Payments for financial assets	-	-	-	
Total	47 939	41 750	6 189	12.9%

The expenditure as at 31 March 2025 amounted to R41.750 million or 87.09 percent exclusive of prepayments against the final appropriation of R47.939 million, resulting in an underspending of R6.189 million (12.91 percent) as detailed below

Compensation of Employees: An amount of R25.331 million (88.25 percent) was spent on Compensation of Employees against the final appropriation of R28.704 million, resulting in an underspending of R3.373 million (11.75 percent). The Executive Director and Human Resource Clerk posts are currently in the process of being filled.

Goods and Services: R14.780 million (84.97 percent) was spent on Goods and Services exclusive of prepayments against the final appropriation of R17.395 million, resulting in an underspending of R2.615 million (15.03 percent) mainly on:

o Consumable supplies, and stationery (R673 000), relating to the procurement of replication project items and prize monies to the 2024 National Batho Pele and Innovation Awards. In addition, Internal digitisation initiatives such as the implementation of the e-leave system, electronic submission of invoices, and T&S claims reduced printing paper, cartridges, and other stationery consumption;

o Minor Assets (R261 000), mainly relating to the tenant installation, fit-out costs, IT infrastructure requirements, and related set-up, which was projected for the 2024/25 financial year in anticipation of relocating to new offices;

o Contractors (R229 000), relating to audio-visual and sound engineers for the 2024 National Batho Pele and Innovation Awards Ceremony. The merging of the CPSI Awards and the DPSA Batho Pele Awards resulted in sharing of cost and thus savings;

o Venues and Facilities (R189 000), relating to the venue for the 2024 National Batho Pele and Innovation Awards Ceremony which was lower than initially projected, largely due to cost-sharing from the merging of the CPSI Innovation Awards and the DPSA Batho Pele Awards; and

o The underspending on various items (R1.263 million), including computer services, travel and subsistence, audit costs, training and development, operating payments, and communication all of which were lower than budgeted.

Transfers and Subsidies: during the period under review, no expenditure was incurred on transfers and subsidies.

Payment for Capital Assets: R1.638 million was spent on payment for capital assets against the final appropriation of R1.658 million, resulting in insignificant underspending of R20 000.

CENTRE FOR PUBLIC SERVICE INNOVATION
STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	47 939	45 894
Departmental revenue	2	73	5
TOTAL REVENUE		48 012	45 899
EXPENDITURE			
Current expenditure			
Compensation of employees	3	25 332	23 007
Goods and services	4	14 780	18 656
Total current expenditure		40 112	41 663
Transfers and subsidies			
Transfers and subsidies	5	-	45
Total transfers and subsidies		-	45
Expenditure for capital assets			
Tangible assets	6	626	2 556
Intangible assets	6	1 012	-
Total expenditure for capital assets		1 638	2 556
Payments for financial assets		-	-
TOTAL EXPENDITURE		41 750	44 264
SURPLUS FOR THE YEAR		6 262	1 635
Reconciliation of Net Surplus for the year			
Voted Funds		6 189	1 630
Annual appropriation		6 189	1 630
Departmental revenue and NRF Receipts	11	73	5
SURPLUS FOR THE YEAR		6 262	1 635

CENTRE FOR PUBLIC SERVICE INNOVATION
STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current Assets		6 227	1 630
Cash and cash equivalents	7	5 428	1 628
Prepayments and advances	8	690	-
Receivables	9	109	2
Non-Current Assets		29	-
Prepayments and advances	8	29	
TOTAL ASSETS		6 256	1 630
LIABILITIES			
Current Liabilities		6 256	1 630
Voted funds to be surrendered to the Revenue Fund	10	6 189	1 630
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	11	-
Payables	12	56	-
TOTAL LIABILITIES		6 256	1 630
NET ASSETS		-	-
TOTAL		-	-

CENTRE FOR PUBLIC SERVICE INNOVATION
STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2025

Statement of Changes in Net Assets
NET ASSETS

	<i>Note</i>	2024/25 R'000	2023/24 R'000
Capitalisation Reserves			
Opening balance		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	-
Closing balance		-	-
Retained funds			
Opening balance		-	-
Closing balance		-	-
Revaluation Reserves			
Opening balance		-	-
Closing balance		-	-
TOTAL		-	-

CENTRE FOR PUBLIC SERVICE INNOVATION
CASH FLOW STATEMENT
as at 31 March 2025

	<i>Note</i>	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		48 012	45 899
Annual appropriated funds received	1	47 939	45 894
Departmental revenue received	2	73	5
Net decrease/ (increase) in working capital		(770)	7
Surrendered to Revenue Fund		(1 692)	(4 525)
Current payments		(40 112)	(41 663)
Transfers and subsidies paid		-	(45)
Net cash flow available from operating activities	13	5 438	(327)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	6	(1 638)	(2 556)
Net cash flows from investing activities		(1 638)	(2 556)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		3 800	(2 883)
Cash and cash equivalents at beginning of period		1 628	4 511
Cash and cash equivalents at end of period	14	5 428	1 628

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
as at 31 March 2025

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

*CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
as at 31 March 2025*

	Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2.	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognized in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalization threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3.	Accruals and payables not recognized Accruals and payables not recognized are recorded in the notes to the financial statements at cost at the reporting date.
8.4.	Leases
8.4.1.	Operating leases Operating lease payments made during the reporting period are recognized as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2.	Finance leases Finance lease payments made during the reporting period are recognized as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. At commencement of the finance lease term, finance lease assets acquired are recorded and measured at: - the fair value of the leased asset; or if lower, - the present value of the minimum lease payments. Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.
9.	Cash and cash equivalents
	Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
10.	Prepayments and advances
	Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement. A reconciliation of prepayments and advances is included in the notes to the annual financial statements, and detailed movements are provided in Annexure 3 – “Analysis of Prepayments and Advances.
11.	Financial assets
11.1.	Financial assets (not covered elsewhere) A financial asset is recognized initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognized loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.	Receivables
	Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	Payables
	Payables recognized in the statement of financial position are recognized at cost.
14.	Capital Assets
14.1.	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition.

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
as at 31 March 2025

	Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2.	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
14.3.	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
15.	Provisions and Contingents
15.1.	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
16.	Fruitless and wasteful expenditure
	Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year. • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
17.	Irregular expenditure
	Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year. • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
18.	Changes in accounting estimates and errors
	Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the

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	cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities, and net assets for the earliest period for which retrospective restatement is practicable.
18.1.	Changes in Accounting Policy Accounting for Prepayments and Advances Effective 1 April 2024, the department implemented the revised accounting treatment for prepayments and advances in accordance with the updated Modified Cash Standard (MCS), as issued by the National Treasury. In prior years, prepayments and advances to suppliers were expensed on a time-apportioned basis over the period of benefit, typically aligned to quarters or monthly recognition schedules. This practice has been discontinued. In terms of the updated MCS, prepayments and advances are now recognised as assets in the Statement of Financial Position at the time of payment. These balances are only expensed once the related goods, services, or benefits have been received or consumed by the department. This change in policy has been applied prospectively from 1 April 2024. Comparative figures for the 2023/24 financial year have not been restated, in line with transitional guidance issued by the Office of the Accountant-General. The required reconciliation and detailed movement schedules are provided in Note 8 and Annexure 3 of the annual financial statements.
19.	Events after the reporting date
	Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
20.	Principal-Agent Arrangements
	The department did not enter into any transactions in which it acted as a principal or an agent during the 2024/25 financial year. This policy is therefore not applicable for the year under review.
21.	Departures from the MCS requirements
	The department has not departed from any requirement of the Modified Cash Standard during the year under review.
22.	Recoverable revenue
	Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
23.	Capitalisation reserve
	The CPSI did not recognise any capitalisation reserve during the year under review. No qualifying financial assets or liabilities originating from prior years were recognised for the first time in the 2024/25 period.
24.	Related party transactions
	Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements. Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the department. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
25.	Employee benefits
	The value of each major class of employee benefit obligation (accruals, payables not recognized and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
26.	Broad-Based Black Economic Empowerment Performance
	Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

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1. Annual Appropriation

	2024/25			2023/24		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final Budget	Appropriation Received	Funds not requested/ not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	24 439	24 439	-	21 829	21 829	-
Public Sector Innovation	23 500	23 500	-	24 065	24 065	-
Total	47 939	47 939	-	45 894	45 894	-

	Note	2024/25 R'000	2023/24 R'000
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2. Departmental revenue

Sales of goods and services other than capital assets	2.1	5	4
Transactions in financial assets and liabilities	2.2	68	1
Departmental revenue collected		73	5

2.1. Sales of goods and services other than capital assets 2

Sales of goods and services produced by the department	5	4
Other sales	5	4
Total	5	4

2.2. Transactions in financial assets and liabilities 2

Other Receipts including Recoverable Revenue	68	1
Total	68	1

Additional (sub-note): Departmental receipts were generated from the staff debt (bursary and loss of asset) and commission on insurance. Due to the nature of the activities undertaken by the Organisation, the core function of the CPSI is not to collect revenue.

2.3. Gifts, donations and sponsorships received in kind (not included in the main note) (Treasury Regulation 21.2.4)

Sponsorships	Annexure 1(B)	608	577
Total gifts, donations and sponsorships received in kind		608	577

3. Compensation of employees

3.1. Salaries and Wages

Basic salary	17 019	15 486
Performance award	-	-
Service Based	-	-
Compensative/circumstantial	229	92
Other non-pensionable allowances	4 956	4 677
Total	22 204	20 255

**3.2. Social Contributions
Employer contributions**

Pension	2 189	1 941
Medical	935	807
Bargaining council	4	4
Total	3 128	2 752
Total compensation of employees	25 332	23 007
Average number of employees	34	31

Additional (sub-note). The compensation of employees in 2024/25 increased due to Cost-of-Living Adjustments, pay progression and filling of vacant posts (permanent to establishment).

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	Note	2024/25 R'000	2023/24 R'000
4. Goods and services			
Administrative fees		189	214
Advertising		473	752
Minor assets	4.1	18	25
Bursaries (employees)		71	139
Catering		124	482
Communication		370	310
Computer services	4.2	2 663	2 987
Consultants: Business and advisory services		688	1 832
Contractors		962	1 211
Audit cost – external	4.3	1 100	1 086
Consumables	4.4	872	1 915
Operating leases		2 373	2 250
Rental and hiring		-	32
Travel and subsistence	4.5	2 714	3 242
Venues and facilities		1 577	1 561
Training and development		445	417
Other operating expenditure	4.6	141	201
Total		14 780	18 656
4.1. Minor assets	4		
Tangible capital assets			
Machinery and equipment		18	25
Total		18	25
4.2. Computer services	4		
SITA computer services		268	330
External computer service providers		2 395	2 657
Total		2 663	2 987
4.3. Audit cost – External	4		
Regularity audits		1 100	1 086
Total		1 100	1 086
4.4. Consumables	4		
Consumable supplies		789	1 680
Uniform and clothing		-	16
Household supplies		164	88
IT consumables		2	32
Other consumables		623	1 544
Stationery, printing and office supplies		83	235
Total		872	1 915
4.5. Travel and subsistence	4		
Local		2 601	2 867
Foreign		113	375
Total		2 714	3 242
4.6. Other operating expenditure	4		
Other		139	201
Total		139	201

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4.7. Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services) [Treasury Regulation 20.2.4]

	Note	2024/25 R'000	2023/24 R'000
Name of Commission / Committee			
Audit and Risk Committee (4)		489	523
Total		489	523

Additional (sub-note) Payments were made to four (4) members of the Audit and Risk Committee as at 31 March 2025.

Additional (sub-note) Goods, and services	2024/25 R'000	2023/24 R'000	Explainer notes
Administrative fees	189	214	The on-par expenditure in 2024/25 and 2023/24 financial years relates to bank charges and travel management fees.
Advertising	473	752	The expenditure in 2024/25 includes the procurement of promotional materials and branded items for the Public Sector Innovation Conference and the Batho Pele Excellence and Public Sector Innovation Awards programme. The decrease in expenditure is attributed to promotional and branded items on hand resulting in less procurement. Procurement for 2023/24 includes promotional materials and branded items for the Public Sector Innovation Conference, Awards programme and career expo.
Minor assets	18	25	The procurement for 2024/25 relates to laptop bags, kitchen appliances and electronic equipment. Procurement for 2023/24 relates to LCD desktop monitors. These items are not recurring procurement, and expenditure will differ yearly.
Bursaries (employees)	71	139	The expenditure was lower in 2024/25 due to no new applications received. The expenditure relates to the procurement of textbooks and bursaries that were previously awarded to two (2) CPSI officials in the 2022/23 financial year for third year qualifications.
Catering	124	482	The 2024/25 expenditure mainly relates digital youth expo, e-leave source code, staff meeting, global green replication workshop and high-volume cataract replication project. The 2023/24 expenditure relates to the: digital youth expo catering and 2023 Awards programme. These items are not recurring procurement, and expenditure will differ yearly.
Communication	370	310	Communication expenditure mainly relates to the approved cell phone and data allowances to MMS and SMS as well as usage of landline telephones by all CPSI staff. The communication expenditure was higher in 2024/25 due to the adjusted cell phone allowance as per the newly approved CPSI Cellular phone policy and procedure as well as a once-off set-up and installation of landline telephones for two newly appointed CPSI staff.
Computer services	2 663	2 987	The expenditure in 2024/25 relates to Microsoft licences, SITA costs, SCM suppliers' system (IQual), support and maintenance. The expenditure in 2023/24 mainly relates to the annual payment for Microsoft licenses for 2022/23 paid in 2023/24 (R326 000), SCM suppliers' system (IQual) (R131 000), support and maintenance (R251 000) as well as IT bandwidth, web and domain hosting services (R219 000). Usages of the transversal systems determines SITA cost.
Consultants: Business and advisory services	688	1 832	The expenditure in 2024/25 relates to payments to ARC members (R489 000), Risk Management services (R121 000) and B-BBEE services (R35 000). The expenditure in 2023/24 relates to the Public Sector Innovation (PSI) survey study (R872 000), ARC members (R523 000) and Risk Management services (R398 000).
Contractors	962	1 211	The expenditure in 2024/25 relates to the Audio Visual and sound engineer for the Public Sector Innovation Conference and the Batho Pele Excellence and Public Sector Innovation Awards programme (R933 000). Cost-sharing from the merging of the CPSI Innovation Awards and the DPSA Batho Pele Awards resulted in lower expenditure in 2024/25. Expenditure in 2023/24 includes the Audio Visual and DJ for Public Sector Innovation Conference and Awards Programme (R933 000), facilitation of the innovation and design thinking workshops (R221 000) and layout and design for 2024-25 Annual Performance Plan (R30 000).
Audit cost – external	1 100	1 086	The on-par expenditure relates to Audit costs of the 2023/24 and 2022/23 annual audit, which is aligned with the audit strategy.

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Additional (sub-note) Goods, and services	2024/25 R'000	2023/24 R'000	Explainer notes
Consumables	872	1 915	The expenditure relates to the procurement of replication project items, cleaning material, water for office use, stationery, printing paper and cartridges. The decrease in expenditure in 2024/25 is due to the delayed procurement of trophies and prize monies to the 2024 CPSI Awards programme. Additionally, Internal digitisation initiatives such as the implementation of the e-leave system, electronic submission of invoices, and T&S claims reduced printing paper, cartridges, and other stationery consumption.
Operating leases	2 373	2 250	Four quarterly accommodation lease payments to DPSA for the 2024/25 and 2023/24 financial years. The increase is in line with the contract between DPSA and DPWI.
Rental and hiring	-	32	The expenditure in 2023/24 relates to hiring of exhibition area, stand and tent for the annual Public Sector Innovation conference. These items are not recurring procurement, and expenditure will differ yearly.
Travel and subsistence	2 714	3 242	The decrease of expenditure in 2024/25 was due to cost containment measures implemented by CPSI on travel. The expenditure included travelling for call for entries, finalist design thinking workshop, Public Sector Innovation Conference, Awards programme, project site visits and foreign traveling for two officials in 2024/25 and 2023/24.
Venues and facilities	1 577	1 561	The on-par expenditure on venues and facilities relates to the call for entries, the Public Sector Innovation Conference and Batho Pele Excellence and Public Sector innovation Awards programme for the 2024/25 and 2023/24 financial years.
Training and development	445	417	Expenditure in 2024/25 included Administrators professional summit course, Annual Southern African Internal Audit conference, Risk and Strategy, Supplier Relationship Management, Report writing and Microsoft training, diploma in Management and advanced diploma in application development. Expenditure for 2023/24 included Govtech, EDRMS training, IAA, public relations and digital marketing training, SharePoint and adobe training, advance diploma in business management and post graduate diploma in Supply Chain Management for CPSI employees. These items are not recurring procurement, and expenditure will differ yearly.
Other operating expenditure	141	201	The expenditure relates to photocopier cost, courier services and the printing of Annual report and Annual Performance Plan. These items are not recurring procurement, and expenditure will differ yearly.
Total	14 780	18 656	

Additional (sub-note): Included under goods and services for the 2024/25 is the loss amounting to R43 359.13 for Design Thinking and PSI workshop no-show charge. The Loss Control Committee determined in May 2025 that the loss should be recovered from the relevant institution, the receivable will be raised in 2025/26.

The expenditure for 2024/25 excludes R677 000 relating to prepayments made for goods and services that had not yet been received as at 31 March 2025, it thus been disclosed separately in Note 8.1 under goods and services.

	Note	2024/25 R'000	2023/24 R'000
5. Transfers and Subsidies			
Households	ANNEXURE 1A	-	45
Total		<u>-</u>	<u>45</u>
6. Expenditure for capital assets			
Tangible capital assets		626	2 556
Machinery and equipment	22	626	2 556
Intangible capital assets		1 012	-
Software	23	1 012	-
Total		<u>1 638</u>	<u>2 556</u>

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6.1. Analysis of funds utilized to acquire capital assets – 2024/25

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible capital assets	626	-	626
Machinery and equipment	626	-	626
Intangible capital assets	1 012	-	1 012
Software	1 012	-	1 012
Total	1 638	-	1 638

6.2. Analysis of funds utilized to acquire capital assets – 2023/24

Tangible capital assets	2 556	-	2 556
Machinery and equipment	2 556	-	2 556
Intangible capital assets	-	-	-
Software	-	-	-
Total	2 556	-	2 556

Additional (sub-note) Expenditure in 2024/25 was for the capital cost of the finance leases for the photocopier machines (R42 000), procurements for software (R1.041m), laptops (R410 000), computer desktops (R99 000) and tablets (R75 000).

The expenditure for 2024/25 excludes R29 000 relating to prepayments made for intangible capital assets that had not yet been received as at 31 March 2025, it thus been included in the Additions of Intangible assets (Note 23) and disclosed separately in Note 8.1 under capital assets.

Expenditure in 2023/24 was mainly for the procurement of servers (R1.361m), audio-visual equipment (R274 000), laptops (R228 000), tablets (R211 000), screen filters (R221 000), computer desktops (R210 000), telecommunication equipment (R16 000) and the capital cost of the finance leases for the photocopier machines (R35 000).

	Note	2024/25 R'000	2023/24 R'000
6.3. Finance lease expenditure included in Expenditure for capital assets			
Tangible capital assets			
Machinery and equipment		42	35
Total		42	35

Additional (sub-note) There is one contract in place to hire two photocopiers' machines, effective from 1 June 2023.

7. Cash and cash equivalents

Consolidated Paymaster General Account	5 408	1 618
Cash on hand	20	10
Total	5 428	1 628

8. Prepayments and advances

Travel and subsistence	13	-
Prepayments (Not expensed)	706	-
Total	719	-

Analysis of Total Prepayments and advances

Current Prepayments and advances	690	-
Non-current Prepayments and advances	29	-
Total	719	-

8.1. Prepayments (Not-Expensed)

	Amount as at 1 April 2024 R'000	Less: Received in the current year R'000	Add/ Less: Other R'000	Add: Current year prepay- ments R'000	Amount as at 31 March 2025 R'000
Goods and services	-	-	-	677	677

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	Amount as at 1 April 2024	Less: Received in the current year	Add/ Less: Other	Add: Current year prepay- ments	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Capital assets	-	-	-	29	29
Total	-	-	-	706	706

Additional (sub-note) In line with the Modified Cash Standard (effective 1 April 2024), an amount of R706,000 relating to prepayments made for goods, services, and capital assets that had not yet been received as at 31 March 2025, has been excluded from the total expensed amount. These prepayments are disclosed separately in the Statement of Financial Position (Note 8.1) under current and non-current assets.

A reconciliation of prepayments and advances is included in Note 8, and detailed individual movements are disclosed in are disclosed in Note 8, and detailed individual movements are disclosed in Annexure 3, titled "Analysis of Prepayments and Advances."

8.2. Prepayments (Expensed)

	Amount as at 1 April 2024	Less: Amounts expensed in current year	Add/Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Prepayments (Expensed)				
Goods and services	399	(399)	-	-
Capital assets	232	(225)	-	7
Total	631	(624)	-	7

	Amount as at 1 April 2023	Less: Received in current year	Add / Less: Other	Add: Current Year prepayments	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Prepayments (Expensed)					
Goods and services	30	(165)	-	534	399
Capital assets	653	(421)	-	-	232
Total	683	(586)	-	534	631

Additional (sub-note). Prepayments (expensed) to suppliers are made from appropriated funds and recognised from the first day of the following month, of which the payments were processed for the duration of the prepaid good or services. Refer to Annexure 3.

9. Receivables

		2024/25			2023/24		
	Note	Current R'000	Non- current R'000	Total R'000	Current R'000	Non- current R'000	Total R'000
Recoverable expenditure	9.1	6	-	6	-	-	-
Staff debt	9.2	10	-	10	2	-	2
Other receivables	9.3	93	-	93	-	-	-
Total		109	-	109	2	-	2

	Note	2024/25 R'000	2023/24 R'000
9.1. Recoverable expenditure	9		
SARS reversals of over deductions		6	-
Total		6	-

Additional (sub-note) R6,000 recoverable from SARS due to reversal of over-deductions.

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	Note	2024/25 R'000	2023/24 R'000
9.2. Staff debts	9		
Salary debts		10	2
Total		10	2
Additional (sub-note) 2024/25 – includes the staff debt of R10 000 relating to the loss of asset. The staff debts will be fully recovered during the 2023/24 – includes staff debts of R2 000. The staff debts were fully paid in 2024/25 financial year.			
9.3. Other receivables	9		
SARS admin penalty		93	-
Total		93	-
Additional (sub-note) In the 2025/26 financial year, CPSI incurred a loss amounting to R92 948.51 as a result of an administrative penalty charged by SARS.			
10. Voted funds to be surrendered to the Revenue Fund			
Opening balance		1 630	4 519
Transferred from statement of financial performance (as restated)		6 189	1 630
Voted funds not requested/not received		-	-
Paid during the year		(1 630)	(4 519)
Closing balance		6 189	1 630
11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		-	1
Transferred from Statement of Financial Performance (as restated)		73	5
Paid during the year		(62)	(6)
Closing balance		11	-
Additional (sub-note) Revenue generated in 2024/25 was paid in June 2024, September 2024, December 2024 and March 2025. The remaining revenue to be collected for a loss of a laptop in 2025/26			
12. Payables – current			
Clearing accounts	12.1	56	-
Total		56	-
12.1. Clearing accounts			
Salaries: Income Tax		52	-
Salaries: Pension		4	-
Total		56	-
13. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		6 262	1 635
Add back non cash/cash movements not deemed operating activities		(824)	(1 962)
(Increase)/decrease in receivables		(101)	1
(Increase)/decrease in prepayments and advances		(719)	51
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		56	(45)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		1 638	2 556
Surrenders to Revenue Fund		(1 692)	(4 525)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		5 438	(327)

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	Note	2024/25 R'000	2023/24 R'000
14. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		5 408	1 618
Cash on hand		20	10
Total		5 428	1 628

15. Capital Commitments

Machinery and equipment	-	-
Total	-	-

Additional (sub-note) The CPSI did not have any capital commitments as at 31 March 2025. Capital commitments relate to approved and contracted projects for the acquisition of machinery and equipment. During the reporting period, there were no such contracts concluded or approved for future capital expenditure. This aligns with the department's digitisation strategy, which prioritises scalable digital solutions over fixed asset acquisition.

16. Accruals and payables not recognized

16.1. Accruals

	2024/25			2023/24
	R'000	R'000	R'000	R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	321	-	321	189
Capital assets	-	-	-	-
Transfers and subsidies	-	-	-	1
Total	321	-	321	190

	Note	2024/25 R'000	2023/24 R'000
Listed by programme level			
Administration		16	154
Public Sector Innovation		305	36
Total		321	190

Additional (sub-note) The accruals include support services, photocopier rental and charges, cell phone and telephone costs, internet charges, travel and subsistence cost and bank charges. The accruals are unique to each financial year, depending on the type of expenditure and the date of receipt of the invoices.

Included in the above totals are the following:

Confirmed balances with departments	Annexure 2	-	7
Total		-	7

Payables (not recognised)

	2024/25			2023/24
	R'000	R'000	R'000	R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and service	47	-	47	-
Total	47	-	47	-

	Note	2024/25 R'000	2023/24 R'000
Listed by programme level			
Administration		4	-
Public Sector Innovation		43	-
Total		47	-

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	Note	R'000	R'000
17. Employee benefits			
Leave entitlement		1 325	1 003
Service bonus		816	749
Capped leave		92	86
Other		44	22
Total		2 277	1 860

Additional (sub-note) During the reporting period, an amount of R2 830.57 was included under "leave entitlement" employee benefits for vacation leave taken in advance. In addition, long-service awards for three (3) employees are anticipated in the 2025/26 financial year, comprising two 20-year awards and one 30-year award. These awards are not classified as service bonuses but are accounted for as a separate long-service obligation, disclosed under "Other" in the Employee Benefits notes. An amount of R183,000 relating to leave taken before 31 March 2025 was captured post-year-end. The leave liability has been adjusted accordingly to reflect only the outstanding leave balance as at 31 March 2025.

18. Lease Commitments

18.1. Operating leases

2024/25	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	2 504	-	2 504
Later than 1 year and not later than 5 years	-	-	2 641	-	2 641
Total lease commitments	-	-	5 145	-	5 145

2023/24	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	2 373	-	2 373
Later than 1 year and not later than 5 years	-	-	-	-	-
Total lease commitments	-	-	2 373	-	2 373

Additional (sub-note) CPSI occupies office space in the Batho Pele House building through a lease administered by the Department of Public Service and Administration (DPSA). While the formal lease agreement with the landlord has expired, DPSA continues to honour the lease on a month-to-month basis, and CPSI remains in occupation.

The Department of Public Works and Infrastructure (DPWI) has been in the process of securing alternative accommodation for CPSI since 2018. Although relocation is anticipated during the 2025/26 financial year, the process remains subject to lease finalisation, space readiness, and tenant installation. In line with the Modified Cash Standard and the Accounting Manual for Departments, and based on the principle of constructive obligation, CPSI has limited the lease disclosure to a two-year period. This reflects the estimated duration for which there is a reasonable expectation of continued occupation of the current premises. The revised disclosure prevents overstatement of financial commitments and aligns with prudent financial reporting practices.

18.2. Finance leases

2024/25	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	49	49
Total lease commitments	-	-	-	49	49

2023/24	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	90	90
Total lease commitments	-	-	-	90	90

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Additional (sub-note) There is one contract in place to hire two photocopier machines, ending June 2026. In line with the Modified Cash Standard, the lease payments are recognised as capital expenditure and are included under tangible capital assets in the Statement of Financial Performance and Note 6. The total lease commitment as at 31 March 2025 amounts to R49 000, which will be paid over the remaining lease period. These commitments are not split between capital and interest as per MCS requirements.

	Note	2024/25 R'000	2023/24 R'000
19. Unauthorised, Irregular and Fruitless and Wasteful Expenditure			
Irregular expenditure		-	-
Fruitless and wasteful expenditure		16	-
Total		16	-

Additional (sub-note) During the period under review, the CPSI had four (4) confirmed cases of fruitless expenditure:

Case 1: A case of fruitless and wasteful expenditure amounting to R4,485.25. The incident arose from unauthorised changes to flight bookings resulting in additional costs. The matter was reviewed by the Loss Control Committee and written off in accordance with Treasury Regulation 12.6.1.

Case 2: A case of fruitless and wasteful expenditure amounting to R6 657.25 due to a missed flight resulting in additional expenses for an extra day of accommodation and shuttle services. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.

Case 3: A case of fruitless and wasteful expenditure amounting to R2,237.69 due to a missed flight. The matter was reviewed by the Loss Control Committee and recommended for recovery and disciplinary action to the Accounting Officer.

Case 4: A case of fruitless and wasteful expenditure amounting to R2 617.38 for non-refundable duplicate flight tickets. The matter was reviewed by the Loss Control Committee and recommended for recovery to the Accounting Officer.

20. Related party transactions

In kind goods and services provided/received

DPSA advises the CPSI on technical and procedural issues related to personnel security checks, vetting and security awareness,	-	-
DPSA provides to the CPSI messenger services twice a week.	-	-
DPSA provides to the CPSI technical and procedural advice in relation to information communication technology management,	-	-
CPSI makes use of the virtual private network of the DPSA.	-	-
DPSA provides to CPSI employee wellness services and assist the CPSI's labour relation practitioner with technical and procedural advice on matters relating to labour relations, when requested.	-	-
DPSA assist the CPSI with technical and procedural advice in relation to human resource management and development, financial management and administration and supply chain management.	-	-
DPSA provides to the CPSI internal audit and risk management services and legal services.	-	-
DPSA provides CPSI with office accommodation and storerooms in the Batho House building. The DPSA recovers a pro-rata amount for building lease from CPSI as indicated in the building lease with the Department of Public Works and Infrastructure.	-	-
DPSA provides the CPSI with frontline receptions services, access security and after-hours security services in the Batho Pele House building.	-	-
CPSI utilises the DPSA's networks infrastructure installed in the Agrivaal/Batho Pele Building and server room on 5th Floor.	-	-
Total	-	-

The CPSI has a related party relationship with each of the public sector entities that fall within the portfolio of the Minister for the Public Service and Administration. This includes the Department of Public Service and Administration (DPSA), the National School of Government (NSG), the Office of the Public Service Commission (OPSC), and the Government Employees Medical Scheme (GEMS).

The CPSI has a signed Memorandum of Understanding with the DPSA regarding shared services to be provided at no cost. These services include, but are not limited to, labour relations support, internal audit and risk management, employee wellness, messenger and reception services, ICT advisory support, and access control. These services are considered material to CPSI's operations but are not costed and have therefore been disclosed at zero value.

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The shared office accommodation at Batho Pele House continues under a lease agreement managed by the DPSA, and CPSI contributes to lease costs on a pro rata basis. Although the lease has formally expired, a letter of intent has been submitted to renew it, and lease commitments are disclosed in Note 18 accordingly.

During the period under review, all transactions and engagements with DPSA, NSG, OPSC, and GEMS were conducted at arm's length and in accordance with applicable public service governance frameworks.

	Note	2024/25 R'000	2023/24 R'000
21. Key Management personnel			
Executive Director		1 949	1 841
Executive Management		4 817	4 505
Total		6 766	6 346

Additional (sub-note) *During the period under review, the CPSI's Executive Director post was vacant. An acting Executive Director was appointed from internal capacity from February 2020 until the post is filled. Four key management personnel's expenditure is disclosed.*

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22. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery And Equipment	10 466	-	591	31	11 026
Computer equipment	3 923	-	584	21	4 486
Furniture and office equipment	5 536	-	7	-	5 543
Other machinery and equipment	1 007	-	-	10	997
Finance Leases	-	-	42	-	42
Finance Leases	-	-	42	-	42
Total Movable Tangible Capital Assets	10 466	-	633	31	11 068

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

Additional (sub-note) During the 2024/25 financial year, the CPSI disposed of movable tangible assets that were damaged or redundant, following a formal recommendation by the Disposal Committee. These assets were assessed as having no residual value and were removed from the asset register. The disposals were processed in accordance with Treasury Regulation 10.1 and the department's Supply Chain Management procedures. The Additions include a non-cash addition valued at R7000 for an office desk.

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery And Equipment	9 363	-	2 646	1 543	10 466
Computer equipment	3 450	-	649	176	3 923
Furniture and office equipment	4 016	-	1 760	240	5 536
Other machinery and equipment	1 897	-	237	1 127	1 007
Finance Leases	-	-	-	-	-
Finance Leases	-	-	-	-	-
Total Movable Tangible Capital Assets	9 363	-	2 646	1 543	10 466

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22.2. Minor assets

Movement in Minor Capital Assets Per the Asset Register for The Year Ended 31 March 2025

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Finance lease assets R'000	Total R'000
Opening balance	-	-	-	950	-	-	950
Additions	-	-	-	8	-	-	8
Disposals	-	-	-	4	-	-	4
TOTAL MINOR ASSETS	-	-	-	954	-	-	954

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of minor assets at cost	-	-	-	475	-	-	475
Total Number of Minor Assets	-	-	-	475	-	-	475

Minor Capital Assets under investigation

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

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Finance lease assets R'000	Total R'000
Opening balance	-	-	-	1 090	-	-	1 090
Additions	-	-	-	25	-	-	25
Disposals	-	-	-	(165)	-	-	(165)
TOTAL MINOR ASSETS	-	-	-	950	-	-	950

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Finance lease assets R'000	Total R'000
Number of minor assets at cost	-	-	-	473	-	-	473
Total number of minor assets	-	-	-	473	-	-	473

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23. Intangible Capital Assets
Movement in intangible capital assets per asset register for the year ended 31 March 2025

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	1 249	1 041	(1 207)	1 083
Total Intangible Capital Assets	1 249	1 041	(1 207)	1 083

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

Additional (sub-note) The CPSI disposed of intangible assets amounting to R1,207 million relating to expired software licenses during the reporting period. These items were fully amortised and had no residual value. Approval for the disposal was granted through the formal Disposal Committee process. The additions include R29 000 relating to prepayments made for intangible capital assets that had not yet been received as at 31 March 2025, it has been excluded from the total expensed amount in Note 6 and disclosed separately in Note 8.1 under non-current assets.

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	1 249	-	-	-	1 249
Total Additions to Intangible Capital Assets	1 249	-	-	-	1 249

24. Broad Based Black Economic Empowerment performance

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

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Annexures to the Annual Financial Statements

ANNEXURE 1A

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION		EXPENDITURE			2023/24		Amount	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer	R'000
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	-
Subsidies									
Leave gratuity for retirement due to ill health	-	-	-	-	-	-	33	31	-
Leave gratuity for resignation of two (2) employees	-	-	-	-	-	-	14	14	-
	-	-	-	-	-	-			-
Total	-	-	-	-	-	-	47	45	-

ANNEXURE 1B

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of Organisation Received in kind Sponsorships	Nature Of Gift, Donation or Sponsorship	2024/25 R'000	2023/24 R'000
Government Employees Medical Scheme	Sponsorship towards the GEMS Health Award category in the Annual CPSI Public Sector Innovation Awards Programme	-	247
Ikasi Solutions	Sponsorship towards the Annual CPSI Public Sector Innovation Awards Programme	-	15
BCX	Sponsorship towards PSI Awards	-	40
United Nations	Sponsorship to attend and participate in the United Nations Public Service Forum	38	-
Amazon Web Services	Sponsorship for cloud services in support of testing and piloting digital solutions as well as for speakers and raffle gifts in the 18th Public Sector Innovation Conference	147	-
African Association for Public Administration and Management (AAPAM)	Sponsorship towards the travelling expenses for the adjudication of the competition for the AAPAM awards for innovation management	18	-
SITA - GovTech	Sponsorship towards attendance of the 2023 GovTech Conference	-	100
Ikasi Solutions	Sponsorship towards exhibition counters in the 18th Public Sector Innovation Conference	26	-
Metropolitan Health	Sponsorship towards hosting of the 2023 Public Sector Innovation Awards and the Metropolitan Award	-	175
Government Employees Medical Scheme	Sponsorship towards the GEMS wellness in the 18th Public Sector Innovation Conference	80	-
Legal Interact	Sponsorship towards the speakers' gifts in the 18th Public Sector Innovation Conference	45	-
Government Employees Medical Scheme	Sponsorship towards the GEMS Health Award category in the Annual CPSI Public Sector Innovation Awards Programme	137	-
Microsoft	Sponsorship towards the speakers and raffle gifts in the 18th Public Sector Innovation Conference	73	-
Heineken Beverages	Sponsorship towards guest gifts and logistical hosting cost Annual CPSI Public Sector Innovation Awards Programme	44	-
Total sponsorships		608	577

ANNEXURE 2

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end- 2023/24 Receipt date up to six (6) working days after year-end	Amount
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024		
DEPARTMENTS	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department of Public Service and Administration	-	7	-	-	-	7	-	-
Total	-	7	-	-	-	7		-

ANNEXURE 3

ANALYSIS OF PREPAYMENTS AND ADVANCES

Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Total contract value	Balance outstanding as at 31 March 2024	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add / (Less): Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
Predicate Logistics	Private	Iqual Licence and Maintenance Support	Goods and services	144	-	144	(108)	-	36
Predicate Logistics	Private	Iqual Licence and Maintenance Support	Goods and services	131	33	-	(33)	-	-
Ibhubesi Information Technologies	Private	SSL Certificate, Anydesk Remote, Adobe Creative Teams, Adobe Creative Cloud	Capital assets	338	37	-	(37)	-	-
Ikasi Solutions	Private	Kaspersky End-point Security for Business	Capital assets	52	10	-	(10)	-	-
DPSA	Public sector	Electronic signature license	Goods and services	18	-	7	(7)	-	-
DPSA	Public sector	Microsoft licences January 2024 to December 2024	Goods and services	355	333	-	(333)	-	-
DPSA	Public sector	Microsoft licences January 2025 to December 2025	Goods and services	854	-	854	(213)	-	641
Phagamang General Trade	Private	Adobe DC for Enterprise	Capital assets	300	100	-	(100)	-	-
Lusu Technologies	Private	Anydesk Software License	Capital assets	23	15	-	(8)	-	7
Lusu Technologies	Private	Anydesk Software License	Capital assets	23	70	-	(70)	-	-
Regent Business School	Private	Postgraduate Diploma in Supply Chain Management	Goods and services	44	33	-	(33)	-	-
Wpforms, LLC	Private	WPS forms	Goods and services	1	-	1	(1)	-	-

Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Total contract value	Balance outstanding as at 31 March 2024	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add / (Less): Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
Bantubanathi Consulting	Private	Remote software licenses	Capital assets	37	-	37	(8)	-	29
TOTAL PREPAYMENTS					631	1 043	(961)	-	713
Advances	-	-	-	-	-	-	-	-	-
P Schoonraad	Public sector	Advance for participation on Public Administration (CEPA) of the United Nations	National departments	13	-	13	(13)	-	-
TOTAL PREPAYMENTS AND ADVANCES					-	13	(13)	-	-
TOTAL PREPAYMENTS AND ADVANCES					631	1 056	(974)	-	713



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