



2024/25

DEPARTMENT OF DEFENCE
Annual Report

"Let's grow South Africa together"



defence

Department:
Defence
REPUBLIC OF SOUTH AFRICA





DEPARTMENT OF DEFENCE

Annual Report

FY2024/25

Vote 23

“Let’s grow South Africa together”



Submission of Annual Report 05 of 05 for the Strategic Period 2020–2025 to the Executive Authority

I have the honour of submitting to you, in accordance with the Public Finance Management Act, 1999 (Act No. 01 of 1999), the Department of Defence Annual Report for the reporting period 01 April 2024 to 31 March 2025.

**DR THOBEKILE GAMEDE
ACTING SECRETARY FOR DEFENCE**

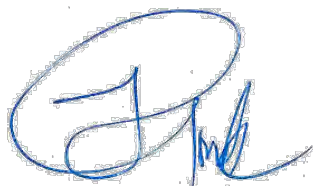
Statement of Responsibility and Confirmation of Accuracy

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 free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the 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 were 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, which ended on 31 March 2025.

Yours faithfully,



DR THOBEKILE GAMEDE
ACTING SECRETARY FOR DEFENCE

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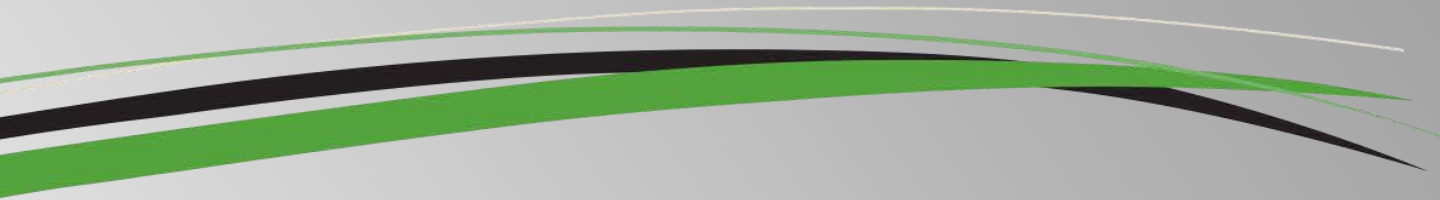
Terminology

In this document, the term “the Minister” will at all times refer to the Minister of Defence and Military Veterans (MOD&MV), unless stated otherwise.

Where the report refers to “*Information Classified*”, it means that the information was not published for public consumption but managed through the appropriate oversight institutions. Classified information was made available for audit and/or duly audited by the AGSA.



General Information



Department of Defence General Information

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www.dod.mil.za



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https://twitter.com/SANDF_ZA



<https://www.linkedin.com/in/sandf/>



https://www.instagram.com/defence_za/



<https://www.youtube.com/channel/UCylH-BGBmUKCkyl2LiiNE9g>

List of Abbreviations

A	AC	Audit Committee
	AENE	Adjusted Estimates of National Expenditure
	AGSA	Auditor-General of South Africa
	AIDS	Acquired Immunodeficiency Syndrome
	AMC	Accountability Management Committee
	AO	Accounting Officer
	APP	Annual Performance Plan
	ARMSCOR	Armaments Corporation of South Africa State-Owned Company Limited
	ARV	Antiretroviral Drugs
	ASB	Army Support Base
	AU	African Union
B	B-BBEE	Broad-Based Black Economic Empowerment
C	CAE	Chief Audit Executive
	CARA	Criminal Asset Recovery Account
	CCB	Castle Control Board
	CHA	Comprehensive Health Assessment
	CHATSEC	Combating HIV/Aids through Spiritual and Ethical Conduct
	CIDB	Construction Industry Development Board
	C Log	Chief of Logistics
	CMIS	Command and Management Information System
	CoE	Compensation of Employees
	COVID-19	Coronavirus Disease 2019
	CPI	Consumer Price Index
	CPSC	Central Procurement Service Centre
	CPX	Command Post Exercise
	C SANDF	Chief of the South African National Defence Force
D	DAM	Director Asset Management
	DAP	Defence Act Personnel
	DEFCON	Defence Committee Meetings
	DEISM	Defence Enterprise Information System Management
	DENEL	DENEL State-Owned Company Limited
	DFFE	Department of Forestry, Fisheries and the Environment
	DI	Defence Intelligence
	DIRCO	Department of International Relations and Cooperation
	DOD	Department of Defence
	DODI	Department of Defence Instruction
	DODP	Department of Defence Policy
	DODPP	Department of Defence Processes and Procedures

Part A

General Information

D	DoRA	Division of Revenue Act
	DPCI	Directorate for Priority Crime Investigations
	DPSA	Department of Public Service and Administration
	DPWI	Department of Public Works and Infrastructure
	DRC	Democratic Republic of Congo
E	EA	Executive Authority
	EISP	Employer-Initiated Severance Package
	ENE	Estimates of National Expenditure
	Ex	Exercise
F	FMD	Financial Management Division
	FMS	Financial Management System
	FOTG	Feet on the Ground
	FSE	Force Structure Element
	FTX	Field Training Exercise
	FY	Financial Year
G	GDA	General Defence Account
	GRAP	Generally Recognised Accounting Practice
	GRC	Governance, Risk and Compliance
	GTAC	Government Technical Advisory Centre
H	HDI	Historically Disadvantaged Individuals
	HIV	Human Immunodeficiency Virus
	HOA	Homeowners Allowance
	HR	Human Resource/s
I	IAD	Internal Audit Division
	ICT	Information and Communication Technology
	IDES	Integrated Defence Enterprise System
	IE	Irregular Expenditure
	IESBA	International Ethics Standards Board for Accountants
	IG DOD	Inspector General Department of Defence
	INH	Isoniazid Preventive Therapy
	IODSA	Institute of Directors in South Africa
	IPT	Integrated Project Team
	ISA	International Standards on Auditing
	IT	Information Technology
J	JCPS	Justice, Crime Prevention and Security
	JIIM	Joint, Interdepartmental, Interagency and Multinational
	JSCD	Joint Standing Committee on Defence
K	KZN	KwaZulu-Natal
L	LEGSATO	Legal Satellite Office
	LOA	Letter(s) of Assist

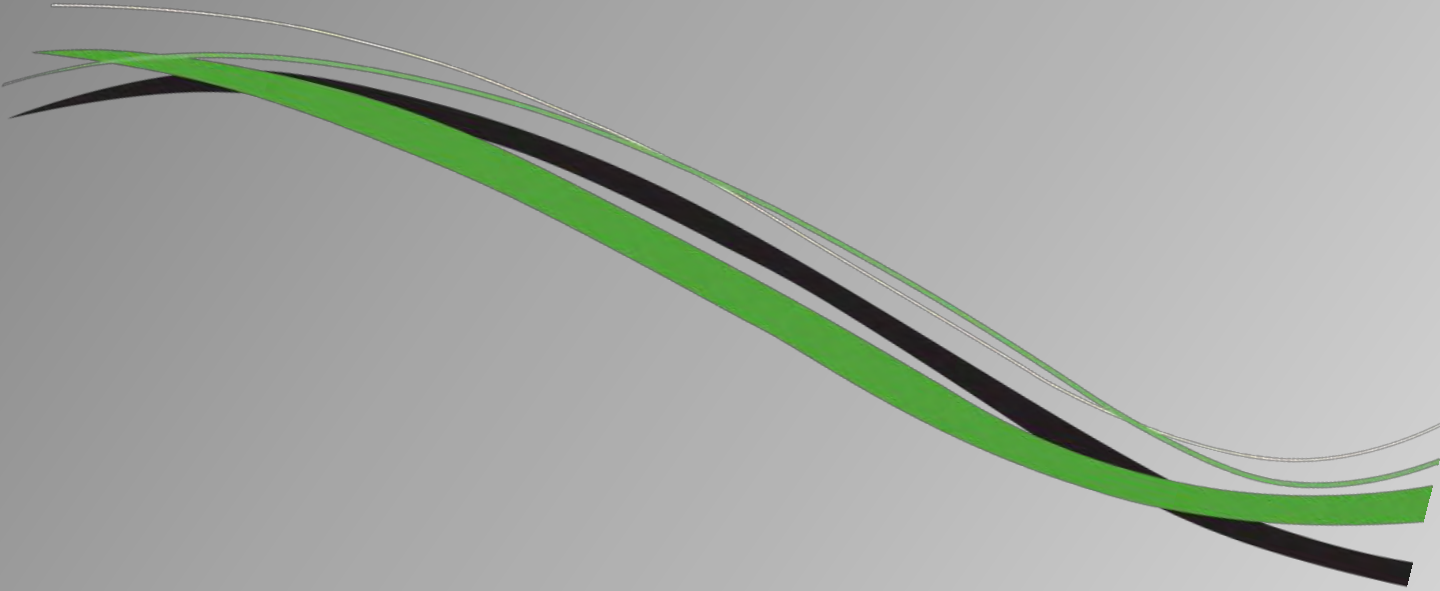
M	M&E	Monitoring and Evaluation
	MAA	Mobile Assets Accidents
	MCC	Military Command Council
	MCS	Modified Cash Standard
	MEM	Mobility Exit Mechanism
	MMIPV	Multi-Mission Inshore Patrol Vessel
	MOA	Memorandum of Agreement
	MOD&MV	Minister of Defence and Military Veterans
	MONUSCO	United Nations Organisation Stabilisation Mission in the Democratic Republic of the Congo
	MPSA	Minister of Public Service and Administration
	MRI	Master Record Index
	MSDS	Military Skills Development System
	MTDP	Medium-Term Development Plan
	MTEC	Medium-Term Expenditure Committee
	MTEF	Medium-Term Expenditure Framework
	MTSF	Medium-Term Strategic Framework
N	NA	National Assembly
	NAP	National Action Plan
	NCACC	National Conventional Arms Control Committee
	NCOP	National Council of Provinces
	NERSA	National Energy Regulator of South Africa
	NGO	Non-Governmental Organisation
	NRF	National Revenue Fund
	NSG	National School of Government
	NT	National Treasury
	NT	National Treasury
O	OC	Officer Commanding
	OHS	Occupational Health and Safety
	Op	Operation
	OT&E	Operational Testing and Evaluation
P	PAA	Public Audit Act
	PCDMV	Portfolio Committee on Defence and Military Veterans
	PDSC	Plenary Defence Staff Council
	PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
	POPI	Protection of Personal Information
	PPA	Public Procurement Act
	PPP	Public-Private Partnerships
	PPPFA	Preferential Procurement Policy Framework Act
	PPR	Preferential Procurement Regulation
	PPSA	Public Protector South Africa

Part A

General Information

P	PSAP	Public Service Act Personnel
	PV	Present Value
R	RFC	Reserve Force Council
	RFI	Request for Information
	RSA	Republic of South Africa
S	SA	South Africa(n)
	SABC	South African Broadcasting Corporation
	SABS	South African Bureau of Standards
	SADC	Southern African Development Community
	SAHRA	South African Heritage Resources Agency
	SAMHS	South African Military Health Service
	SAMIDRC	Southern African Development Community Pledge to the Democratic Republic of Congo
	SAMIM	Southern African Development Community Standby Force Mission in Mozambique
	SAMRO	South African Music Rights Organisation
	SANDF	South African National Defence Force
	SANSS	South African National Security Secretariat
	SAPS	South African Police Service
	SAQA	South African Qualifications Authority
	SARS	South African Revenue Service
	SAS	South African Ship
	SASSETA	Safety and Security Sector Education and Training Authority
	SCM	Supply Chain Management
	SCOA	Standard Chart of Accounts
	SCOPA	Standing Committee on Public Accounts
	SDA	Special Defence Account
	SDIP	Service Delivery Improvement Plan
	SEAH	Sexual Exploitation and Abuse and Harassment
	Sec Def	Secretary for Defence
	SETA	Sector Education Training Authority
	SG	Surgeon General
	SITA	State Information Technology Agency State-Owned Company Limited
	SMME	Small, Medium, and/or Micro-sized Enterprise
	SMS	Senior Management Service/System
	SOFA	Status of Forces Agreement
	SOP	Standard Operating Procedure
	SRMC	Strategic Risk Management Committee
	SSA	State Security Agency
	STIs	Sexually Transmitted Infections
	SWOT	Strengths, Weaknesses, Opportunities, and Threats

T	TB	Tuberculosis
	TID	Technical Indicator Description
	TMPD	Tshwane Metro Police Department
	TOR	Terms of Reference
U	UAMP	User Asset Management Plan
	UN	United Nations
	UXO	Unexploded Ordnance
V	VCT	Voluntary Counselling and Testing
	VVIP	Very, Very Important Person
W	WIP	Work-in-Progress
	WPS	Women, Peace and Security



Foreword by the Executive Authority



Ms Angie Motshekga, MP

*From the rising of the sun, to the going down of the same, we will remember them.
We WILL remember them.¹*

I am honoured to present my second Annual Report as the Minister of Defence and Military Veterans. The Department of Defence Annual Report provides a strategic overview of the Department's performance outcomes achieved during the year under review.

I emphasised the importance of the core business of the defence establishment during my Budget Vote on 09 July 2025, being mandated by the Constitution to **defend and protect the Republic of South Africa and its people, safeguarding South Africa's sovereignty, people, and constitutional order.**

During the year under review, the Department of Defence continued to support government objectives and national imperatives, amongst others: enhancing inclusive growth and job creation; building a capable, ethical and developmental state, through different initiatives such as interventions on leveraging defence-related research and development initiatives to stimulating innovation through the defence industry; to grow and support our economy.

Governance and accountability remain important to ensure that Defence utilises scarce resources

¹ Excerpt (adapted) from "For the Fallen" by Laurence Binyon (1914).

in the most effective and efficient manner in compliance with regulatory requirements, thus contributing to building a capable, ethical and developmental state.

On 24 January 2024, the President instructed the Department of Defence to develop a new set of policies and strategies that would articulate a long-term strategic trajectory that repositions the Defence Force as a strong and resilient force with enhanced military capabilities, fire-power and combat readiness applicable to the emerging strategic environment, and specifically position the Defence Force appropriately in respect of emergent regional dynamics.

The policy and strategy review process culminated in the development of three draft documents: the 'Future Defence Capstone Policy Concept'; the 'Military Capstone Strategising Concept'; and a 'Future Military Strategy 2025–2055'.

These strategic documents are currently under discussion and consideration by the Executive, after which it will be introduced in Parliament.

The Acting Secretary for Defence and the Chief of the South African National Defence Force will elaborate on strategic achievements and persistent challenges that the Department has experienced during the reporting period.

In conclusion, I need to emphasise that our mandate extends beyond defence; **we are an enabler of national resilience, contributing to stability, economic growth, and the well-being of our people through a disciplined, combat-ready force.**

On behalf of the Commander-in-Chief of our Armed Forces, the entire defence force family and the people of South Africa, I want to thank our men and women for their sacrifice and hard work in contributing to peace and stability in the region. Their efforts will never be forgotten.

I hereby present the Department of Defence Annual Report for the Financial Year 2024/25.



MS ANGIE MOTSHEKGA, MP
MINISTER OF DEFENCE AND MILITARY VETERANS

Strategic Statement by the Head of Department



Dr Thobekile Gamede

I am honoured to present the Head of Department Strategic Statement in my capacity as the Acting Secretary for Defence. I was entrusted by the Executive Authority to serve as the Head of the Department of Defence since January 2023. This period was characterised by numerous external events and conditions that had a detrimental effect on the Department, and more specifically on the Defence Force, relative to the manner in which mandate achievement was pursued within a severely constrained resource envelope.

The Annual Report for the 2024/25 Financial Year is the fifth of five Annual Reports, displaying end-of-term performance against the Department of Defence's Adjusted Strategic Plan for 2020–2025.

The Department of Defence Annual Report was prepared in compliance with the requirements of the National Treasury *Annual Report Guide for National and Provincial Departments*, issued in March 2025, and other prescripts applicable to annual performance reports.

The Annual Report provides comprehensive performance progress, detailing Defence's outputs throughout the period under review. The primary purpose of this Report is to account to the general public and Parliamentary oversight structures by providing performance information about the Department's operations and financial performance. Furthermore, it offers cumulative annual performance against set targets, in meeting ordered commitments, providing capabilities and ensuring sound administration and management of the Department of Defence. I provided the detailed Departmental financial results for the 2024/25 Financial Year in my *Accounting Officer Report*, included in Part F of the Annual Report.

I indicated during the previous two reporting cycles that I will execute my Public Finance Management Act, 1999 (Act No. 01 of 1999) Section 38 responsibilities rigorously; in the best interest of the Department and to institutionalise sound governance and accountability principles throughout organisational processes. These were executed to the best of my ability within prevalent constraints with diligence and transparency, and continuous feedback has been provided to the Executive Authority and Parliamentary oversight structures.

The implementation of the required levels of consequence management continued to be challenging during the period under review due to the slow conclusion of Boards of Inquiry. I initiated the following actions to promote and enforce consequence management in the Department:

- *Strengthening Governance and Accountability Structures*

I utilised the Accountability Management Committee as the primary vehicle for promoting sound governance and accountability principles. This Committee monitored performance against audit findings. Internal governance, risk, and compliance structures were prioritised to ensure effective resource utilisation and to address weaknesses identified in previous audits. To support this effort, an external Chairperson to the Strategic Risk Management Committee was appointed during the year under review. The Strategic Risk Management Committee plays an important role in the governance arena by overseeing the Department's risk management practices.

- *Disciplinary and Legal Actions*

In response to irregular and fruitless expenditures identified both internally and by the Auditor-General, the DOD implemented consequence management in several cases. Actions included, during previous reporting periods, the termination of employment for certain employees and the arraignment of military members, with cases referred to military courts following investigations as required by military protocols.

- *Application of Public Finance Management Act Guidelines*

The Department followed the Public Finance Management Act, which mandates that, upon confirmation of irregular, fraudulent, or corrupt acts, the responsible employees must be subjected to disciplinary processes, and, where applicable, criminal charges are to be laid with law enforcement agencies.

- *Training and Awareness*

The Department entered into agreements with institutions like the National School of Government to enhance procurement and accountability training, aiming to modernise systems and improve compliance.

- *Monitoring and Reporting*

Regular feedback was provided to the Executive Authority and Parliamentary oversight structures on progress made regarding consequence management. This included updates on disciplinary actions, audit findings, and the status of investigations. The Department tracked and reported on the implementation of consequence management as part of its annual performance and compliance reporting, ensuring transparency and public accountability.

- *Addressing Systemic Issues*

The Department initiated reviews of procurement systems and other high-risk areas to identify and address systemic issues contributing to irregularities, with the goal of preventing recurrence and strengthening consequence management mechanisms.

As the Co-chairperson of the Justice, Crime Prevention and Security Cluster at the time, together with the National Police Commissioner, I had a significant role to play to ensure that the 2024 National and Provincial Elections took place in a safe and secure environment. Law enforcement agencies worked diligently to ensure that the 2024 National and Provincial Elections took place in a peaceful, non-violent and safe environment. The conclusion of the Elections ushered in the 7th democratically elected Administration in the 30 years of South Africa's freedom and democracy.

The financial baseline reduction over the 2020–2025 Strategic Period continued to contribute to the decline of military equipment and facilities, along with the Department's inability to enhance outdated information systems. Modernised and effective information systems are critical to enable innovation, digital transformation, and ethical utilisation of resources. Interventions undertaken to improve the Defence funding trajectory have not yet realised the expected result and will remain a Departmental priority.

The Commander-in-Chief directed a future course of action to be pursued by Defence. In an endeavour to respond to this direction provided, and aligned with the Ministerial Priority to *"Conclude a departmental evaluation of the Defence Review 2015 and develop an associated action plan for consultation with the National Executive by 31 October 2024"*, I ensured that the Draft Future Defence Policy Concept, Draft Military Capstone Concept and Draft Military Strategy 2025–2055 (supported by the Defence Force's SWOT and Environmental Analysis) were drafted and submitted to the Presidency in October 2024, in line with the Minister's Performance Agreement.

In the meantime, the South African National Security Council requested the South African National Security Secretariat to provide a report on viable funding for the Defence Force during a session held in March 2025. The Department made a presentation to the South African National Security Secretariat on the 'Review of the Defence Review 2015' under the topic *"Creating a Viable and Sustainable Defence Force for the Future"*. At the time of this Report, a second engagement with the South African National Security Secretariat was underway; progress will be provided through the established reporting processes during the 2025/26 Financial Year.

I wish to convey my sincere appreciation to the Honourable Minister and Deputy Ministers of Defence and Military Veterans for their leadership, guidance, and direction since the commencement of the 7th Administration. My gratitude is also extended to the Auditor-General and other oversight structures for providing ongoing guidance and assistance to the Department of Defence and its leadership.

It is my privilege to present to you the Department of Defence Annual Report for the 2024/25 Financial Year.

DR THOBEKILE GAMEDE
ACTING SECRETARY FOR DEFENCE

Introduction by the Chief of the South African National Defence Force



General Rudzani Maphwanya

It is an honour to present the 2024/25 Annual Report, which is also the last for the 6th Administration.

The past years have been marked by challenges and successes that have defined the trajectory of the South African National Defence Force to remain as a deterrent force able to promptly respond to any form of threat.

We are also faced with harsh realities of local and global economic uncertainties coupled with military security challenges and climate changes that necessitate the Defence Force to be ready to fend off any possible threat to national security, health and lives of its citizens.

South Africa's national interests encompass its national sovereignty and constitutional order, the safety and well-being of its citizens, economic prosperity, a better Africa and the world. The Defence Force is better placed as the custodian of constitutional democracy to create a conducive environment as the last line of defence.

In support of Government's national imperatives relevant to Apex Priority 7: "*A better Africa and a Better World*", the Defence Force continued to execute ordered commitments as directed and instructed by the Commander-in-Chief, and as such, forces were deployed outside the borders of South Africa under two General Military Assistance Operations and one Peace Support Operation.

Firstly, the South African Development Community force within the framework of the South African Development Community as a regional response in support of the Democratic Republic of Congo to restore peace and security in the eastern part. Forces were mobilised for the South African Mission in the Democratic Republic of Congo (SAMIDRC), code name Op THIBA, from 09 November 2023.

Secondly, as part of the South African Development Community Mission in Mozambique (SAMIM) to the Cabo Delgado Province, where our contribution was terminated in December 2024, all personnel and equipment returned to South Africa.

Lastly, the Op MISTRAL Force Intervention Brigade was deployed in the Democratic Republic of Congo as part of the Force Intervention Brigade under the mandate of the United Nations Observation Mission.

These efforts have contributed to regional stability, which directly impacts South Africa's national security and economy by preventing conflict spill-over and maintaining economic and political stability within the region and continent, creating a conducive environment for business investments, including South African businesses and safeguarding national interests.

Although not fully funded, we managed to do our best under those circumstances.

The South African National Defence Force was also deployed inside the borders of South Africa in various internal operations when requested. Our contribution towards Apex Priority 6 "*Social Cohesion and Safer Communities*" was to provide security support to the Police Service and to other government departments in amongst others, combating activities against critical electricity infrastructure, illegal mining, assisting during National and Provincial Elections on 29 May 2024, opening of Parliament on 18 July 2024, State of the Nation Address on 06 February 2025 as well as border safeguarding through Op CORONA.

Progress was made with the *Welisizwe* Rural Bridges Programme, which was done in collaboration with the Department of Public Works and Infrastructure, where a total of nineteen low-cost bridges were constructed. This programme is aimed at providing safe access to social amenities to remote communities as well as enabling rapid responses to disaster-stricken areas during natural disasters and other emergency-related situations.

In order to foster and enhance military-to-military relations and ensure constructive engagement, the Defence Force continued to have Defence Committees meetings through its 44 Defence Attaché offices with sister defence forces in the sub-region, the continent and the rest of the world. Participation in functional and developmental training courses with foreign defence forces included an exchange of Directing Staff members at Staff Colleges.

Our Fallen Heroes were successfully repatriated from external deployment in the Democratic Republic of Congo, and I want to thank the multi-disciplinary team of psychologists, social workers, and chaplains who provided essential psycho-social and spiritual support to the bereaved families of fallen South African National Defence Force soldiers.

Soldiers who died in various peacekeeping missions were honoured during a wreath-laying ceremony, with the most recent being the 14 soldiers who died in the East of the Democratic Republic of Congo.

We extend our deepest condolences to the families, friends, and comrades of those who have made the ultimate sacrifice. Their courage and selfless commitment to peace remain an inspiration. As the Chief of the South African National Defence Force and the entire National Defence Force, we remain undeterred and committed to working with like-minded forces to ensure peace prevails in our continent.

Achieving peace comes at a high price, with casualties and setbacks, yet in honouring those we have lost, we reaffirm our determination to see peace, security, and stability become a reality for nations across our continent and the world.

In conclusion, and in terms of way forward, this Annual Report serves as a reminder of the uneasy journey we undertook during the past five years of the 6th Administration, which is remembered by both the achievements and challenges that we managed to experience.

The systematic navigation of the South African National Defence Force from the current unpalatable state to the envisaged future defence capability, through cardinal pillars, is the actual journey to greatness. The Long Term Plan, known as '*The Journey to Greatness*', is premised on the Ministerial Directive that the military must determine the South African National Defence Force that South Africans can afford versus the one that South Africa needs, the future defence and military capstones. The Journey to Greatness Plan is premised on the current and future security and defence requirements demanded by internal security dynamics confronting the democratic state, implications of the country's foreign policy, as well as its geopolitical obligations.

As we venture into the 7th Administration, we are filled with hope that lessons learned will help us navigate into the new era of the Medium-Term Development Plan 2024–2029, where the South African National Defence Force will unleash '*The Journey to Greatness*' and take stock of our failures and pave a new path.

I want to end by conveying my sincere gratitude to the military command, all men and women in uniform, who, through all these challenges, stood firm and tried their best to provide support when duty called.



GENERAL RUDZANI MAPHWANYA

CHIEF OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE

Strategic Overview

Vision

“Effective defence for a peaceful, secure and stable democratic South Africa.”

Mission

To “ensure sound departmental strategic leadership, management and support services, enabling the preparation, employment, sustaining and renewal of defence capabilities in accordance with the needs of South Africa as regulated by the Constitution, National Legislation, Parliamentary and Executive direction”.

Values

Organisational Values

The Department of Defence (DOD) has committed itself to organisational values that are rooted in individual values, codes of conduct and unit cohesion. For the period under review, in the execution of the Defence Mission Statement, the DOD pursued the following organisational values, as informed by the Adjusted DOD Strategic Plan 2020–2025:

- Accountability
- Consultation Rooted in Effective and Efficient Partnership and Collaboration
- Discipline
- Ethics
- Excellence
- Openness and Transparency
- People
- Service Standards
- Teamwork

Individual Values

The following individual values form the framework through which the individual values of DOD members were pursued in support of the organisational values of Defence:

- Human Dignity
- Integrity
- Leadership
- Loyalty
- Patriotism
- Professionalism

Organisational and Legislative Mandates

Constitutional Mandate

The DOD derives its mandate from the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). The primary purpose of the South African National Defence Force (SANDF), to *“defend and protect the RSA, its territorial integrity and its people in accordance with the Constitution and the principles of international law regulating the use of force”*, is expressed in Section 200(2).

The mandate of the DOD, as derived from Section 200(2) of the Constitution, the Defence Act, 2002 (Act No. 42 of 2002) as amended by the Defence Amendment Act, 2010 (Act No. 22 of 2010) and the Defence Amendment Act, 2020 (Act No. 06 of 2020), the White Paper on Defence (1996) and the SA Defence Review 2015, requires the Department to provide, manage, prepare, employ, sustain and renew defence capabilities that are commensurate with the needs of SA as regulated by the Constitution, National Legislation, Parliamentary and Executive direction.

The objectives of the DOD are:

- To provide for a structured and disciplined military force with the primary objective to defend and protect the Republic, its territorial integrity and its people following the Constitution and the principles of international law regulating the use of force.
- To provide for the political responsibility and employment of the Defence Force.

Legislative Mandate

The Minister of Defence and Military Veterans (MOD&MV), as a member of the Cabinet, is responsible for Defence (Section 201 of the Constitution, 1996).

The mandate of the DOD to *“provide, manage, prepare and employ defence capabilities that are commensurate with the needs of SA”*, as derived from Section 200(2) of the Constitution, is given substance by the Defence Act, 2002 (Act No. 42 of 2002), as amended, the White Paper on Defence, 1996 and the SA Defence Review 2015².

The DOD is comprised of the Defence ‘Civilian’ Secretariat, established in terms of Section 204 of the Constitution, and the SANDF, established in terms of Section 200 of the Constitution.

Constitutional and primary legislative mandates governing the DOD:

- Border Management Authority Act, 2020 (Act No. 02 of 2020)
- Defence Act, 2002 (Act No. 42 of 2002)
- Defence Amendment Act, 2010 (Act No. 22 of 2010)
- Defence Amendment Act, 2020 (Act No. 06 of 2020)

² The SA Defence Review 2014 was approved by Cabinet on 19 Mar 2014, endorsed by the NA on 04 Jun 2015 and the NCOP on 24 Jun 2015. The SA Defence Review 2015 (renamed) provides the national defence policy for South Africa that informs the defence trajectory to be pursued over multiple MTEFs. Detailed progress is provided under Part B, *Key Policy Developments and Legislative Changes* pages 45 to 46.

- Defence Special Account Act, 1974 (Act No. 06 of 1974)
 - Disaster Management Act, 2002 (Act No. 57 of 2002)
 - Hydrographic Act, 2019 (Act No. 35 of 2019)
 - National Conventional Arms Control Act, 2002 (Act No. 41 of 2002)
 - National Strategic Intelligence Act, 1994 (Act No. 39 of 1994)
 - Non-proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)
 - Promotion of Access to Information Act, 2000 (Act No. 02 of 2000)
 - Protection of Personal Information Act, 2013 (Act No. 04 of 2013)
 - Public Finance Management Act (PFMA), 1999 (Act No. 01 of 1999)
 - Public Procurement Act, 2024 (Act No. 28 of 2024)
 - Public Service Act, 1994 (Act No. 103 of 1994)
-
- Armaments Corporation of South Africa SOC Limited (ARMSCOR) Act, 2003 (Act No. 51 of 2003)
 - Military Ombud Act, 2012 (Act No. 04 of 2012)
 - Castle Management Act, 1993 (Act No. 207 of 1993)

Section 231 of the Constitution, 1996, prescribes international agreements, inclusive of International Humanitarian Law, to which the DOD must adhere. Applicable primary International Agreements include, but are not limited to:

- African Union Non-aggression and Common Defence Pact, 2005
- Chicago Convention (also known as the Convention on International Civil Aviation), 1947
- International Convention on Maritime Search and Rescue, 1979
- Southern African Development Community Mutual Defence Pact, 2003
- United Nations Charter, 1945
- Vienna Convention on Diplomatic Immunities and Privileges, 1961
- Geneva Conventions, 1952 and its protocols

Information on the Ministry

Institutions Reporting to the Executive Authority³

The Executive Authority performs a legislative oversight function in terms of public entities and organs of state accountable to the Executive Authority, which is categorised within Schedules 2 and 3 of the PFMA. The DOD assists the Executive Authority with a technical oversight function through the annual assessment of the Strategic Plans and Annual Performance Plans/Corporate Plans of Public Entities and Organs of State to ensure alignment with the National Regulatory Framework.

The following two Public Entities reported to the Executive Authority during the year under review:



Armaments Corporation of South Africa SOC Limited⁴

Legislative Mandate

The ARMSCOR mandate is derived from the ARMSCOR Act. The objectives of ARMSCOR are to meet:

- Defence matériel requirements of the DOD effectively, efficiently, and economically; and
- Defence technology, research, development, analysis, and test and evaluation requirements of the DOD effectively, efficiently, and economically.

ARMSCOR functions include meeting the following requirements of the DOD:

- Dispose of defence matériel in consultation with the entity which originally manufactured the matériel.
- Maintain the compliance administration system for the DOD, as required by the applicable international law, the National Conventional Arms Control Act and the Non-Proliferation of Weapons of Mass Destruction Act.
- Provide marketing support to defence-related industries, in respect of defence matériel, in consultation with the DOD, and defence-related industries in question.

³ Refer to the section on Transfer Payments in Part B (page 29) for information on the financial relationship of the listed public entities and organs of state.

⁴ Refer to Part A of the ARMSCOR Corporate Plan for 2024 for detailed information on the Legislative Mandate, objectives and functions of this Schedule 2 Public Entity.

ARMSCOR is required to adhere to accepted corporate governance principles, best business practices and generally accepted accounting practices within a framework of established norms and standards that reflect fairness, equity, transparency, economy, efficiency, accountability and lawfulness.

Outputs

The following strategic outputs are in support of ARMSCOR's outcomes:

- Defence matériel product life cycle provided.
- ARMSCOR effectively administered.
- ARMSCOR support functions provided.
- Defence international armaments trade compliance provided.

Castle Control Board⁵

Legislative Mandate

The Castle Control Board is mandated in terms of the Constitution and is, as a public entity under Section 1 of the PFMA and the Castle Management Act required to preserve and protect the military and cultural heritage of the Castle of Good Hope, to optimise its tourism potential, and to optimise accessibility of the Castle of Good Hope to the public on behalf of the MOD&MV, who has the ultimate ownership responsibility for the Castle of Good Hope.

Outputs

The Castle Control Board is responsible for the following outputs:

- To preserve and protect the military and cultural heritage of the Castle of Good Hope.
- To optimise the tourism potential of the Castle of Good Hope.
- To optimise accessibility for the public to the Castle of Good Hope.
- Promotion, development and interpretation of the Castle of Good Hope as a place of education and learning.
- Development of the capacity of the Castle of Good Hope to promote understanding, reconciliation and nation-building.
- Agreement with the DOD in terms of the management of the Castle of Good Hope as a defence endowment property.

⁵ Schedule 3 Public Entity.

Three Organs of State reported to the Executive Authority during the year under review.⁶



Office of the Military Ombud

Legislative Mandate⁷

The Office of the Military Ombud was established in terms of the Military Ombud Act, to investigate and ensure that complaints lodged by members and former members regarding their conditions of service, a member of the public regarding the official conduct of a member of the Defence Force, or a person acting on behalf of a member of the Defence Force or a person acting on behalf of a member, are resolved in a fair, economical and expeditious manner and to report on this annually to the MOD&MV. The Military Ombud is furthermore also responsible for promoting the observance of the fundamental rights of Defence Force members and for the accountable and effective governance of the Office of the Military Ombud.

Reserve Force Council

Legislative Mandate

The Reserve Force Council is a statutory body under Section 48(4) of the Defence Act and a consultative and advisory body representing the Reserve Force to promote and maintain the force as an integral part of the Defence Force, and is consulted on any legislation, policy or administrative measures affecting the Reserve Force.

Defence Force Service Commission

Legislative Mandate⁸

The Defence Force Service Commission was established under Section 62 of the Defence Amendment Act, 2010. The output of the Defence Force Service Commission is to submit recommendations to the MOD&MV on improvements of salaries and service benefits of SANDF members; on policies in respect of conditions of service, and to promote measures and set standards to ensure the effective and efficient implementation of policies related to conditions of service in the SANDF.

⁶ For purposes of this document, Organs of State are defined as any other State functionary or institutions, other than Public Entities that exercise a power or perform a function in terms of the Constitution, or exercise a public power or perform a public function in terms of any legislation.

⁷ Refer to the Military Ombud APP for 2024/25 and the Military Ombud 2024 Annual Activity Report for comprehensive Legislative Mandate and Nature of Operations.

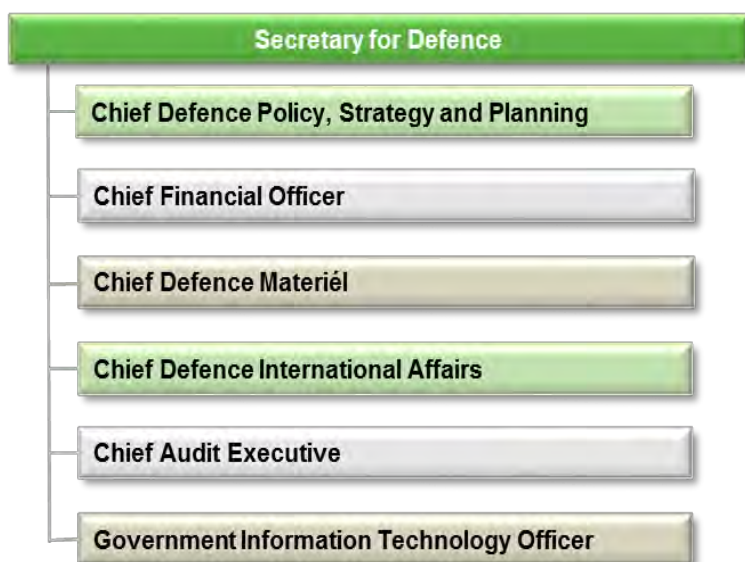
⁸ Refer to the Defence Force Service Commission Annual Activity Report for FY2024/25 for comprehensive Legislative Mandate and Nature of Operations.

Organisational Structure⁹

The Secretary for Defence, as Head of Department and Accounting Officer, is the principal advisor to the Executive Authority on policy matters. The Secretary for Defence executes this primary mandate through **DOD Outcome 1**:

**Accountable and Effective Governance of the DOD to
Enhance Civil Control of Defence**

The following Defence Secretariat Organisational Structure was in support of this Outcome.



⁹ Aligned with the macro structure approved by the Executive Authority on 16 Jan 2007, as subsequently amended.

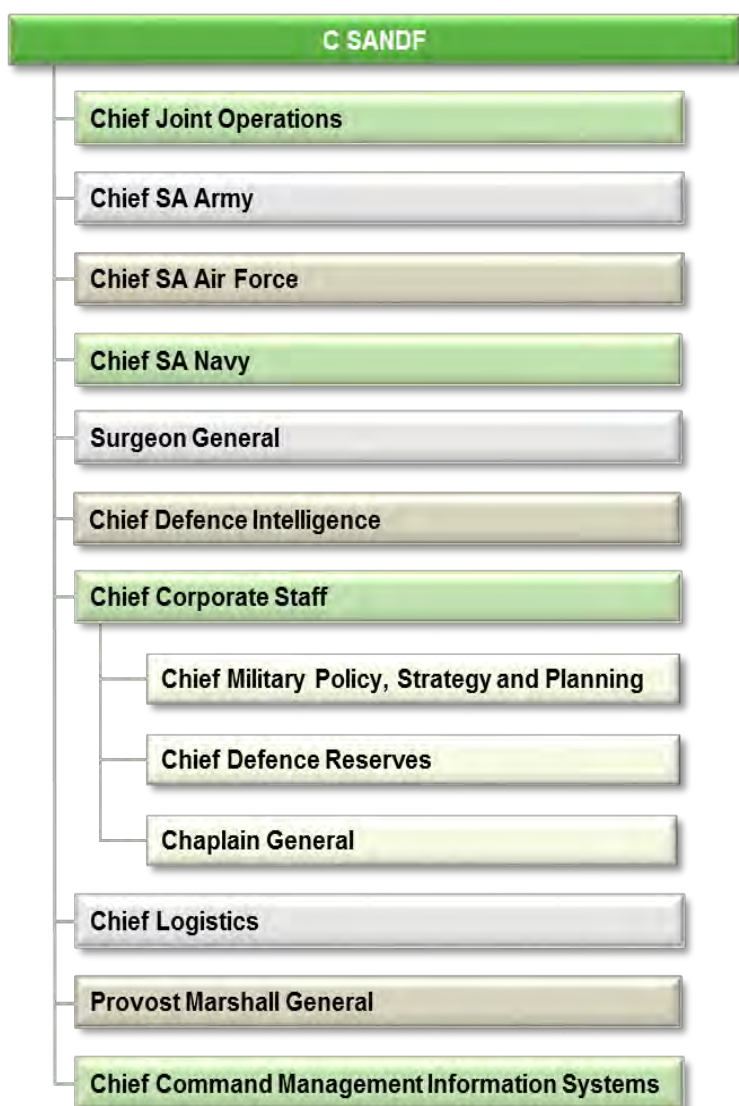
Part A

General Information

The Chief of the SANDF (C SANDF), as the Commander of the Defence Force, should ensure effective defence for a peaceful, secure and stable democratic South Africa. C SANDF executes this primary mandate through **DOD Outcome 2**:

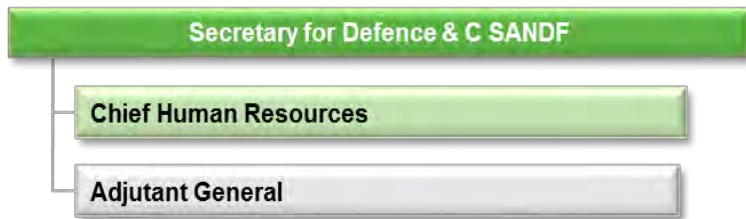
An effective and sustainable Defence Force capacitated to execute ordered commitments

The following SANDF Organisational Structure¹⁰ was in support of this Outcome.



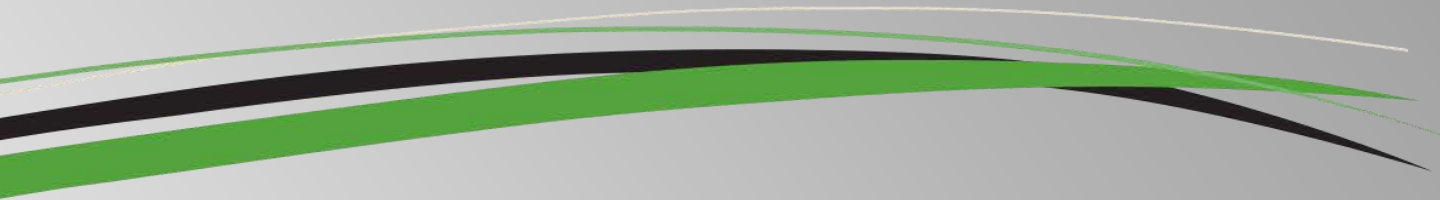
¹⁰ Given the complex nature of the defence function, the SANDF's Force Design and Force Structure are reviewed on a regular basis in order to ensure alignment with the execution of its mandate.

The Secretary for Defence and the C SANDF are supported by DOD Central Staff entities, in support of DOD Outcomes 1 and 2.





Performance Information



Financial Performance Information

The Defence Vote

Aim of the Vote

The purpose of the Defence Vote is to *“Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force”*.¹

Main Programmes

The Defence budget programme structure is divided into eight main programmes, each with a specific purpose and associated sub-programmes. These programmes align with the Department of Defence's (DOD) mandate and objectives, ensuring resources are allocated to achieve specific outputs and outcomes.

Defence Budget Programme Structure		
Programme		Purpose
Programme 1	Administration	Provide strategic leadership, management and support services to the DOD.
Programme 2	Force Employment	Provide and employ defence capabilities, including an operational capability, to successfully conduct operations, as well as joint, interdepartmental, interagency and multinational military exercises.
Programme 3	Landward Defence	Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.
Programme 4	Air Defence	Provide prepared and supported air defence capabilities for the defence and protection of South Africa.
Programme 5	Maritime Defence	Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.
Programme 6	Military Health Support	Provide prepared and supported health capabilities and services for the defence and protection of South Africa.
Programme 7	Defence Intelligence	Provide defence intelligence, counter-intelligence capabilities, and defence diplomacy administrative support to the DOD.
Programme 8	General Support	Provide general support capabilities and services to the DOD.

Defence Vote 23

A summary of actual expenditure versus adjusted appropriation for current and prior years for the Defence Vote 23 is indicated in the table overleaf.

¹ In accordance with the 2024 ENE on Vote 23.

Summary of Actual Expenditure versus Adjusted Appropriation for Current and Prior Years			
	FY2022/23	FY2023/24	FY2024/25
	R'000	R'000	R'000
Adjusted Appropriation	51 601 612	52 468 184	55 483 774
Expenditure	54 596 749	55 841 848	57 978 455
Over expenditure	2 995 137	3 373 664	2 494 681
Amount overspent as percentage of Adjusted Appropriation	5.804%	6.43%	4.496%
Amount surrendered	0	0	0
Amount surrendered as percentage of Adjusted Appropriation	0	0	0

Actual expenditure versus adjusted appropriation for current and prior years at programme level for Defence Vote 23 is indicated in the table below.

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years at Programme Level						
Programme	FY2024/25			FY2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	5 844 887	5 836 545	8 342	5 439 742	5 369 316	70 426
Force Employment	7 186 170	7 279 075	(92 905)	4 995 796	5 308 000	(312 204)
Landward Defence	17 491 818	19 384 909	(1 893 091)	16 735 941	18 902 468	(2 166 527)
Air Defence	6 597 269	6 715 706	(118 437)	7 431 228	7 770 383	(339 155)
Maritime Defence	4 460 364	4 527 090	(66 726)	4 180 103	4 377 304	(197 201)
Military Health Support	5 854 236	6 029 507	(175 271)	5 802 042	6 032 314	(230 272)
Defence Intelligence	1 209 643	1 372 619	(162 976)	1 076 431	1 183 882	(107 451)
General Support	6 839 387	6 833 004	6 383	6 806 901	6 898 181	(91 280)
Total	55 483 774	57 978 455	(2 494 681)	52 468 184	55 841 848	(3 373 664)

Transfer Payments

During the period under review, the DOD provided transfer payments to the following institutions:

- The Armaments Corporation of South Africa SOC Ltd (ARMSCOR) to subsidise the mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of defence matériel, related products and services.
- The Safety and Security Sector Education and Training Authority, which acts as the Sector Education Training Authority for Defence, to subsidise their administrative expenditure in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).
- The Reserve Force Council (RFC) to subsidise its mission to obtain and secure community and private sector support for the Reserves and to maintain a sound relationship and communication between the Reserves, the MOD&MV and the South African National Defence Force (SANDF).
- To provide a grant-in-aid to the Order of St. John in recognition of maintaining a reserve of medical and patient care auxiliaries for operational duty when called to do so by the SA Military Health Service (SAMHS).

- The Special Defence Account to acquire, procure and develop armament and technology. Audited financial statements for FY2024/25 form part of the financial statements of the Department.
- To Defence members who are being separated from the Department in terms of employment and social benefit entitlements.
- An additional transfer payment to offset the operational shortfall of the Castle Control Board.
- Transfer payments made to foreign governments and International Organisations for additional member states' contributions to the Southern African Development Community (SADC) standby force deployment in the Republic of Mozambique and the Democratic Republic of the Congo (DRC).
- To the South African Broadcasting Corporation and other licensing authorities, such as the South African Music Rights Organisation, for television and radio permits.
- To municipalities to cover the cost of payments made in terms of the law that requires all vehicles to be licensed annually.

Table: Transfer Payments to Public Entities and Organs of State.²

Transfer Payments to Public Entities and Organs of State for the period 01 April 2024 to 31 March 2025			
Name of Public Entity	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity
		R'000	R'000
ARMSCOR	To subsidise ARMSCOR in its mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of defence matériel-related products and services.	1 399 984	1 396 848
RFC	To subsidise the RFC in its aim to secure community and private sector support for the Reserve Forces and to maintain a sound relationship and communication between the Reserve Forces, the MOD&MV and the SANDF.	4 250	4 177

Table: Transfer Payments Made to Organisations other than Public Entities and Organs of State for the period 01 April 2024 to 31 March 2025.

Transfer payments made to Organisations other than Public Entities and Organs of State for the period 01 April 2024 to 31 March 2025				
Name of Transferee	Purpose for which the Funds were Used	Did the Department Comply with Sec 38(1)(j) of the PFMA	Amount Transferred	Amount Spent
			R'000	R'000
Special Defence Account	To acquire, procure and develop armament and technology.	Yes	2 880 892	2 880 892
Households (Employer Social Benefits)	To cover the cost of employment benefits due to members being separated from the Department.	Yes	693 854	693 854
SADC Secretariat	SADC member states' additional assessed contribution towards the deployment in the Republic of Mozambique and the DRC.	Yes	755 004	755 004

² Refer to Annual Performance Reports of Public Entities and Organs of State for expenditure details.

Transfer payments made to Organisations other than Public Entities and Organs of State for the period 01 April 2024 to 31 March 2025				
Name of Transferee	Purpose for which the Funds were Used	Did the Department Comply with Sec 38(1)(j) of the PFMA	Amount Transferred	Amount Spent
			R'000	R'000
SASSETA	To subsidise the administrative expenditure of the SASSETA, which acts as the SETA for Defence in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).	Yes	32 626	32 626
Claims against the Department	To cover the cost of legitimate claims instituted against the Department by institutions or individuals.	Yes	8 860	8 860
Castle Control Board	To ease the financial strain the entity faced due to the direct impact of the COVID-19 pandemic.	Yes	6 000	6 000
Municipalities	To provide for the payment made to municipalities to ensure that all vehicles are licensed annually.	Yes	178	178
St John Ambulance Brigade	To provide a grant-in-aid to the Order of St John in recognition of maintaining a reserve of medical and patient care auxiliaries for operational duty when called to do so by the SAMHS.	Yes	113	113
Licence Fees	To provide for the annual payment, such as licensing authorities, the SABC and SAMRO for television and radio licenses.	Yes	18	18

Table: Transfer Payments Budgeted for but Not Made over the period 01 April 2024 to 31 March 2025.

Transfer Payments Budgeted for but Not Made during the period 01 April 2024 to 31 March 2025					
Name of Transferee	Type of Organisation	Purpose for which the Funds were to be Used	Amount Budgeted For	Amount Transferred	Reasons why the Funds were Not Transferred
			R'000	R'000	
None					

Conditional Grants

The DOD neither paid nor received any conditional grants for the period 01 April 2024 to 31 March 2025.

Donor Funds

The DOD did not receive donor funds from external sources for operations during (or for) the financial year under review.

Aid Assistance

The DOD did not receive any aid assistance³ from any external sources during the period 01 April 2024 to 31 March 2025.

³ According to the MCS, aid assistance comprises amounts received from local or international donors and also includes CARA Fund Assistance, specifically appropriated from the CARA.

Public/Private Partnerships

The DOD did not enter into any public/private partnerships during the period 01 April 2024 to 31 March 2025.

Capital Investment, Maintenance and Asset Management Plan

Progress Made on Implementing the Capital Investment and Asset Management Plan

During the year under review, various capital, refurbishment and maintenance projects were undertaken on facilities occupied by the Department. The DOD submitted the User Immoveable Asset Management Plan for FY2025/26 to FY2027/28 to the Department of Public Works and Infrastructure (DPWI) and the National Treasury for inclusion in the National Budgetary Programme. Defence Works Formation continues with condition assessment of DOD facilities. Feedback on assessments is included in the Department's Asset Register.

The table below provides the financial performance information relating to the DOD Capital Investment, Maintenance and Asset Management Plan.⁴

Financial Performance: Capital Investment, Maintenance and Asset Management Plan for FY2024/25						
Departmental Infrastructure	FY2024/25			FY2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New Infrastructure Assets	83 885	83 885	0	375 141	375 141	0
Existing Infrastructure Assets	170 195	170 195	0	167 033	167 033	0
- Maintenance and Repairs	135 203	135 203	0	48 007	48 007	0
- Upgrades and Additions	5 016	5 016	0	10 602	10 602	0
- Rehabilitation, Renovations and Refurbishments	29 976	29 976	0	108 424	108 424	0
Infrastructure Transfer	0	0	0	0	0	0
- Current	0	0	0	0	0	0
- Capital	0	0	0	0	0	0
Total	254 080	254 080	0	542 174	542 174	0

Developments Expected to Have an Impact on Current Expenditure

An increase in infrastructure expenditure is foreseen as soon as all facility life cycle management functions on Defence Endowment Property have been devolved from the DPWI to the DOD.

⁴ Expenditure figures provided for the whole Department correlate with in-year management reports submitted to NT monthly. Actual expenditure is reflected in the Appropriation Statement, page 237.

Progress Made in Addressing the Maintenance Backlog

The current maintenance backlog stands at R8,019 billion. The maintenance backlog is mainly due to DPWI's inability to perform planned and/or unplanned maintenance tasks on facilities utilised by the DOD, which often develop into further facility deterioration. Funds budgeted for both planned and/or unplanned maintenance projects could not be expended as planned, and hence, the backlog increases annually. As the custodian of all immovable assets that vest in National Government, the DPWI is responsible for the maintenance of such assets. The DOD has resorted to devolving functions for both planned and/or unplanned maintenance of infrastructure budgeted for under accommodation charges. Refer to Appendix A to Part B (page 92) for detailed information on capital infrastructure projects (new and replacement assets, maintenance and repairs, upgrades and additions in progress – including rehabilitation, renovations and refurbishment programme projects undertaken) during FY2024/25.

Plans to Close Down or Downgrade Current Facilities

There were no plans to close down or downgrade any facilities indicated on the Immovable Asset Register of the DOD.

Changes in Immovable Assets Holdings

During the period under review, there were no changes in Immovable Asset Holdings.

Current State of DOD Capital Assets

The DOD utilises a large number of state facilities and, to a lesser extent, private facilities in fulfilment of its constitutional obligations. The utilisation includes force preparations, force employment and force support activities that require land and other unique facilities. The current land under the DOD's control is approximately 420 000 hectares and is categorised to determine the Department's Immovable Assets Register. The lack of planned and preventative maintenance will further deteriorate these assets, which might result in the DOD having to opt for more habitable, private facilities.

A building condition assessment of military bases and facilities utilised by the DOD was conducted. The condition of DOD facilities and buildings was rated according to the following categories:⁵

- Condition 1 – Total Replacement
- Condition 2 – Rehabilitation
- Condition 3 – Corrective Maintenance
- Condition 4 – Condition-based Maintenance
- Condition 5 – Preventive Maintenance

⁵ Conditions 1 to 2 represent "bad state", conditions 3 and 4 represent "fair state" and condition 5 represent "good state".

The DOD occupied 36 872 buildings, including leased facilities, at the time of reporting. A total of 36 238 buildings fall under the custodianship of the DOD (Defence Endowment) and the DPWI, with the DOD being responsible for the maintenance thereof. The remaining buildings are leased facilities, toward which the DOD has no maintenance obligations; hence, no condition assessments were conducted on leased buildings. The Defence Works Formation will be commencing a new cycle of condition assessments.

Non-Financial Performance Information

Auditor-General's Report on Predetermined Objectives

The Auditor-General of South Africa performs certain audit procedures on performance information to provide feedback for selected programmes⁶ audited.

The audit conclusion on the performance against predetermined objectives is included in the Report to Management, with material findings being reported under the heading 'Report of the audit of the annual performance plan' in the auditor's report.

Refer to the Report of the Auditor-General, in Part F: Financial Information on page 206.

Overview of Departmental Performance

Introduction

The DOD Annual Report for FY2024/25 is the fifth of five strategic reports issued for the 2020–2025 Strategic Period, and provides performance progress with the implementation of the Revised Medium-Term Strategic Framework (MTSF) 2019–2024, supplemented with cumulative annual performance against set targets displayed in the DOD Annual Performance Plan (APP) for 2024. Performance progress displayed herein is relevant to the degree that the Department met ordered commitments, provided capabilities, and ensured sound administration and management of the DOD.

The primary focus of this Annual Report is to account to the general public and Parliamentary oversight committees, in a transparent manner, on successes achieved and challenges experienced during the reporting period.

During the period under review, the Executive Authority provided Ministerial direction to the DOD, aimed at facilitating the overall management and administration of the DOD.

The DOD progressed in many areas against set priorities, albeit constrained by a declining Defence budget allocation (in real terms) and related specialised human resources.

⁶ Programme 2: Force Employment, Programme 4: Air Defence, and Programme 5: Maritime Defence, in terms of the Audit Strategy of the AGSA dated 02 Dec 2024.

In support of Government's national imperatives, the DOD continued to execute ordered commitments as directed and instructed by the Commander-in-Chief during FY2024/25. Forces were deployed **outside** the borders of South Africa as follows:

- Personnel and equipment were provided to support the United Nations Organisation Stabilisation Mission in the Democratic Republic of Congo (MONUSCO) – **Op MISTRAL**.⁷
- Capabilities were deployed as part of the SADC Pledge (SAMIDRC) to the Eastern part of the DRC to assist with the fight against armed groups – **Op THIBA**.⁸
- Capabilities were deployed as part of the SADC Standby Force Mission (SAMIM) to the Cabo Delgado Province in the Republic of Mozambique to assist with the insurgency – **Op VIKELA**.⁹ The SANDF's contribution was terminated in December 2024, and all personnel and equipment were returned to the Republic of South Africa (RSA).
- The DOD was unable to conduct **Op COPPER**¹⁰ long-range maritime patrols due to the unavailability of Naval platforms at the Directed Level of Capability.

The SANDF was also deployed **inside** the borders of South Africa in four internal operations, **when required**, during FY2024/25 as follows:

- Support to Government departments, mainly the South African Police Services (SAPS) (i.e. Safety and Security Support) – **Op PROSPER**.¹¹ These operations aimed to deter possible threats to critical infrastructure (i.e. ESKOM substations) and prevent crime and maintain law and order, specifically directed at illegal mining activities across the country.
- Disaster Aid and Relief (Humanitarian Assistance) – **Op CHARIOT**.¹²
- Search and Rescue – **Op ARABELLA**.¹³
- Border Safeguarding, including maritime coastal patrols – **Op CORONA**.

⁷ Reference to the President's Minute No. 361/2024 dd 24 Dec 2024: Op MISTRAL extended from 21 Dec 2024 to 31 Jan 2026.

⁸ Reference to the President's Minute No. 360/2024 dd 24 Dec 2024: Op THIBA from 16 Dec 2024 to 15 Dec 2025.

⁹ Reference to the President's Minute No. 103/2024 dd 15 Apr 2024: Op VIKELA extended from 16 Apr 2024 to 31 Dec 2024.

¹⁰ Reference to the President's Minute No. 107/2024 dd 15 Apr 2024: Op COPPER from 01 Apr 2024 to 31 Mar 2025.

¹¹ Reference to the President's Minute No. 132/2024 dd 15 May 2024: Op PROSPER (ESKOM) extended from 01 Apr 2024 to 31 Mar 2025 and the President's Minute No. 290/2024 dd 06 Nov 2024: Op PROSPER (Illegal Mining) extended from 01 Nov 2024 to 31 Mar 2025.

¹² The SANDF was not requested to render Op CHARIOT humanitarian aid and relief assistance during FY2024/25.

¹³ The SANDF was not requested to provide Op ARABELLA search and rescue assistance during FY2024/25.

Mandate

The DOD derives its mandate from section 200 of the Constitution, the Defence Act, 2002 (Act No. 42 of 2002) as amended by the Defence Amendment Act, 2010 (Act No. 22 of 2010), the 1996 White Paper on Defence and the SA Defence Review 2015. The Department is required to provide, manage, prepare and employ defence capabilities that are commensurate with the needs of South Africa. The mandate is given substance by:

- The Defence Act, 2002 (Act No. 42 of 2002)
- The Defence Amendment Act, 2020 (Act No. 6 of 2020)
- The White Paper on Defence, 1996
- The SA Defence Review 2015
- Delegated Legislation

The DOD executes its mandate *“To provide, manage, prepare and employ defence capabilities commensurate with the needs of South Africa, as regulated by the Constitution, national legislation and Parliamentary and Executive direction. This will be provided through the proper management, provision, preparedness and employment of defence capabilities that are in line with the domestic and global needs of South Africa”* **within a constrained budget allocation.**

Service Delivery Environment

The persistent Defence baseline reduction over the strategic period resulted in the decline of military facilities and equipment. Various interventions were undertaken to improve the Defence funding trajectory, but have not yet been successful. This baseline reduction directly contributed to the inability of the Department to achieve Milestone 1 of the SA Defence Review 2015: “Plan to Arrest the Decline”.

In compliance with Presidential direction provided, and the Ministerial priority to **“Conclude a departmental evaluation of the Defence Review 2015 and develop an associated action plan for consultation with the National Executive by 31 October 2024”**, the Executive Authority submitted relevant documents for consultation with the Presidency and the Minister of Finance on 31 October 2024.¹⁴

It is envisaged that a series of engagements and consultations will be pursued with the President and other critical stakeholders before the work is formally tabled in Cabinet and Parliament.

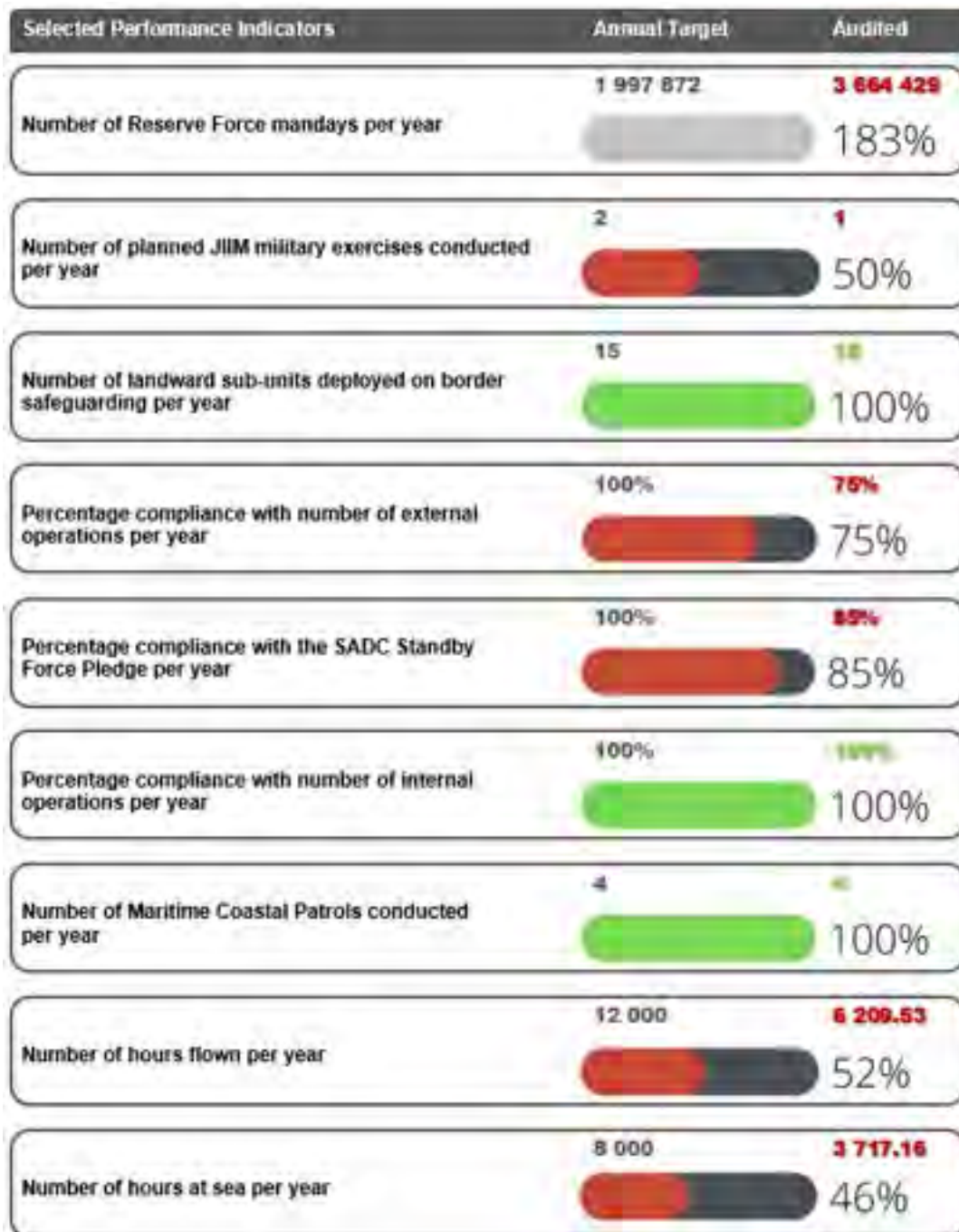
DOD Selected Performance Indicators included in the Estimate of National Expenditure

The DOD Selected Performance Indicators included in the Estimates of National Expenditure (ENE) are derived from the Defence mandate and form the basis of the Department’s budget allocation from the National Treasury. These indicators represent the largest cost drivers in the DOD. A year-on-year analysis of the DOD’s performance against Selected Performance Indicators and targets over the period 01 April 2020 to 31 March 2025 is reflected in Appendix B (page 98).

¹⁴ Progress made has been recorded under Key Policy Developments and Legislative Changes, pages 45 to 46.

The figure below provides a summarised analysis of performance against targets for the DOD Selected Performance Indicators¹⁵ included in the ENE for FY2024/25 as at 31 March 2025.

The increased requirement for SANDF deployments necessitated an enlarged Reserve Force component, which resulted in the Department exceeding the planned Reserve Force utilisation with 1 666 557 mandays at a cost of R1,407 billion, constituting 56% of the unauthorised expenditure for FY2024/25.



¹⁵ Selected programmes audited - Programme 2: Force Employment, Programme 4: Air Defence, and Programme 5: Maritime Defence.

Service Delivery Improvement Plan

The Department of Public Service and Administration (DPSA) promulgated Service Delivery Improvement Plan (SDIP) Circular No. 14 of 2022 on 25 April 2022, wherein it was stated that National departments did not need to implement an SDIP on 01 April 2022. The SDIP for the period 2023 to 2025 was required to be finalised and submitted to the DPSA by 31 March 2023, for implementation on 01 April 2023.

Management considered the DOD's participation in the SDIP process, and a decision was taken to request the DPSA for exemption. The Accounting Officer officially requested the DPSA to exempt the DOD from this initiative due to the operational orientation of the DOD on two occasions, 17 February 2023 and 28 February 2024.

Notwithstanding the communications to the DPSA, the DOD received a letter of non-compliance on 16 April 2024. A bilateral with the DPSA took place on 28 May 2024 to resolve this issue, and it was agreed that the DPSA would reply to the Accounting Officer's letters; at the time of this Report, no official communication has been received from the DPSA.

Response to Prioritising Women, Youth and Persons with Disabilities

In support of the Department of Women, Youth and Persons with Disabilities National Strategic Plan 2020–2032 on Gender-Based Violence and Femicide, the DOD remained committed to zero tolerance of violence and sexual abuse against women, youth and people with disabilities. The Department was involved in the following activities, which contributed towards the national imperatives related to the advancement of Women, Youth and Persons with Disabilities:

- **Symposium on Critical Conversation on Women, Peace and Security (WPS) in Africa** over the period 09 to 10 April 2024. The Symposium aimed to reflect on matters related to WPS aligned with United Nations Security Council Resolution 1325. This was the first session (Continental perspective) with a focus on the revision of the National Action Plan (NAP) on WPS for South Africa (2020), which needs to be completed in 2025.
- **High-Level Strategic Review of the South African NAP on WPS** over the period 09 to 10 May 2024. This session allowed for the discussion on various topics such as the need for a collective reporting mechanism related to Gender and WPS, clarification of concepts and terminology related to WPS and requirements for resources to engage the community, amongst others.
- **Virtual Session with the United Nations (UN) on Sexual Exploitation and Abuse and Harassment (SEAH) Policy Discussion** on 18 June 2024. This session aimed to provoke thoughts on the drafting of a policy on SEAH by the UN.
- **Gender Seminar** over the period 31 July to 01 August 2024. The Gender Seminar aimed to promote a gender perspective in the DOD and build on the theme of FY2023/24 "Gender Mainstreaming in the DOD heading towards 2030". The Gender Seminar was specifically dedicated to involving strategic leadership appointments, to evoke thoughts on gender mainstreaming, steering the DOD forward on its journey to greatness.

- **Department of International Relations and Cooperation (DIRCO) - The Gertrude Shope Webinars**, 06 to 08 August 2024. The following topics were discussed:
 - o Women and Democracy: the role women play in upholding democratic principles.
 - o Women and the influence of digital technology in mediation and conflict resolution.
 - o Climate change, food scarcity and the impact on women.
- **Eastern Cape Garrison Women's Forum Gala Evening**, 22 August 2024. The Chief Director Transformation Management of the DOD addressed the Eastern Cape Garrison Women's Forum during this Gala Event on matters related to gender inequality and biases.
- **Women's Day Celebrations**, 24 August 2024. DOD women were addressed during the celebration on matters related to the Gender Office and gender mainstreaming.
- **Chief of the SANDF (C SANDF) Parade in Celebration of Women's Month**, 30 August 2024. The CSANDF Women's Day parade was hosted at the Air Force Mobile Deployment Wing in Valhalla. Participants were a combination of women and men, a brigade in review. The MOD&MV was the main functionary. The Deputy MOD&MV, the Secretary for Defence, C SANDF, the Military Ombud and other senior leadership attended the parade.
- **SANDF Spouses Forum Women's Day Celebration**, 31 August 2024. During this event, gender-related matters, with specific reference to women's empowerment and accelerated progress for women's emancipation, were presented.
- **Gender Seminars** over the period 01 to 02 October 2024 at Army Support Base (ASB) Durban and 21 to 22 October at ASB Mpumalanga. The Gender Seminars on awareness and sensitisation of persons with disability aimed to promote a gender perspective in the DOD with the objective to empower Officers Commanding, Regimental Sergeant-Majors, Section heads, Occupational Health and Safety representatives and people with disabilities at units.
- **South African National Service Institute Strategic Workshop** held over the period 15 to 18 October 2024 in Pretoria, Air Force Base Waterkloof. During this workshop, the focus was on National Youth Skills Development, which aims to develop, capacitate and empower unemployed graduates.
- **Regional Seminar (Elsie Initiatives for Women in Peace Operations) on WPS** over the period 12 to 13 November 2024 at the DIRCO in Pretoria. The following topics were highlighted:
 - o Exchange views on the implementation of the full, equal and meaningful participation of uniformed women in peacekeeping operations in practical terms – successes, challenges and opportunities, including case studies.
 - o Explore the skillset of fit-for-future peacekeepers – what does it entail, and how to ensure that peacekeepers have the necessary skillsets.
 - o Strengthen cooperation and partnerships to support greater participation of women in peacekeeping operations, including through sharing best practices for recruitment, retention, training, and deployment of uniformed women.
 - o Identify ways to influence the UN and regional policies on effective engagement of women peacekeepers.

- **Youth Seminar** over the period 13 to 15 November 2024 at 10 Anti-Aircraft Regiment (Kimberley). Matters related to Youth were discussed with the aim of:
 - o Creating awareness within the organisation and showcasing the DOD's stance of zero tolerance against gender-based violence and sexual harassment.
 - o Create a platform for Leadership development, emotional intelligence and other related topics.
- **SADC Launch and Regional Capacity Building Workshop to Operationalise the Network of Women Mediators in Southern Africa** over the period 28 to 31 January 2025 at the City of Johannesburg, Sandton. The main purpose of the Workshop was to present the SADC Network of Women Mediators in Southern Africa to the wider regional stakeholders as a viable structure to support mediation and peace-making processes.
- **UN Focal Point Networks on WPS** meeting over the period 04 to 08 February 2025 in Tokyo, Japan. The main purpose of the meeting was to ensure that women in the DOD are well prepared and taken care of during the peace missions.
- **Persons with Disabilities Sensitisation and Awareness Programme** at the SA Air Force on 26 February 2025. The presentation was conducted with the aim of empowering the leadership group (Career Managers) at the SA Air Force.

Organisational Environment

The Minister provides the DOD with strategic direction and sets out priorities to be pursued by the DOD over multiple MTSF and electoral periods. The execution of these priorities enhances the effective realisation of the Defence mandate.

The Minister provided **“Strategic Direction for the DOD across Multi-Medium-Term Strategic Framework Planning Periods”** (Ministerial Directive MODD/0001/2022 dated 27 August 2022), with the following Minister’s Intent:

- *“The DOD must provide a realistic and sustainable future-orientated defence value-proposition, cognisant of current fiscal realities, that delivers against its Constitutional Mandate, South Africa’s national interests and priorities, and risk-appetite.*
- *The DOD must further implement short-term stability measures, through savings and austerity interventions, that will allow the Department to comply with the budget and allocation ceilings.*
- *The Defence Portfolio must institute an organisational renewal and development process to position the components thereof for the future.”*

Additionally, the following strategic outcome was also indicated in the Ministerial Directive:

- *“The development of an appropriate and coherent DOD structure in compliance with national legislation applicable to organisational structures in the Public Service.”*

The Minister of Finance subsequently addressed the decline in the performance of the South African economy and the pressure it has placed on Government and its ability to sufficiently meet all of its competing requirements during the 2023 Budget Vote speech. He indicated that the cost of the Wage Agreement for FY2023/24 requires significant trade-offs in Government spending over the short and medium term. In addressing the adverse fiscal state of Government, the DPSA issued a

directive instructing departments and Government components to implement specific control measures aimed at assisting Executive Authorities to manage fiscal constraints.

The Ministerial Directive mentioned above mandated the functional owner of organisational structures in the DOD to address *“An appropriate and coherent Department of Defence structure that supports military command and control and statutory governance and accountability requirements”*, and requires the Secretary for Defence as the Head of Department, in collaboration with the C SANDF, to redesign and reorganise the DOD to a legislatively compliant and sustainable structure for future growth.

The approved DOD (Defence Secretariat only) organisational structure was submitted to the DPSA for concurrence on 26 April 2024, aligned with the DPSA 2015 Directive. The Minister of Public Service and Administration (MPSA) provided concurrence to the structure and advised the DOD to finalise the review process of the entire organisational structure (including the SANDF) to ensure alignment with the organisational design principles. The MOD&MV approved the Defence Secretariat organisational structure on 30 May 2024 for submission to the DPSA.

In accordance with the MPSA guidance with respect to the submission of a DOD organisational structure, the process to compile the SANDF Level 2 organisational structure commenced during the latter part of the year under review, and progress will be reported on in future Reports.

Aligned to the Ministerial Directive, the following Ministerial Priorities (supported by the Secretary for Defence and C SANDF's Focus Areas) applied for the period under review:

- **Provide Strategic Direction to the DOD →**

Strategic Direction. Implementation of the SA Defence Review 2015 *“DOD Plan to Arrest the Decline”*.

Organisational Renewal. Ensuring Appropriate Organisational Form and Structure.

- **Ensure Departmental Governance, Administration and Accountability within the Regulatory Framework →**

Departmental Governance, Administration and Accountability.

Strategic Resourcing, Revenue Generation to Supplement the Insufficient Fiscal Allocation.

Human Resources. Maintaining the SANDF Establishment Force Levels.

- **Execute Prioritised Ordered Defence Commitments in accordance with South Africa's Defence and Security Requirements →**

Capability Sustainment. Maintenance of Capabilities.

Ordered Defence Commitments. Increased Contribution to the National Developmental Agenda.

Key Personnel

The vacant posts of the Secretary for Defence and the Chief Financial Officer were re-advertised through Public Service Circular No. 43 of 2024 with a closing date of 06 December 2024. The departmental staffing process is underway and should be concluded during FY2025/26.

Dr Thobekile Gamede, Chief Defence Policy, Strategy and Planning, acted as the Secretary for Defence, and Mr Edem Abotsi, appointed as Chief Director Financial Services, acted as the Chief Financial Officer during FY2024/25.

Successes

The SANDF continued to fulfil its Constitutional mandate to defend the land, sea and air sovereignty of South Africa, aiding law enforcement agencies in their fight against cross-border crime, as well as fulfilling the country's global responsibilities to **peacekeeping** in the largest UN mission in the world, by leading the UN Force Intervention Brigade and providing combat and support elements; and operationalising its SADC Pledge in two **general military assistance** operations in the Cabo Delgado Province in the Republic of Mozambique and in the Eastern part of the DRC.

Landward, air, maritime and military health capabilities were committed to *Supporting the People* of South Africa internally.

The DOD continued executing **Op CORONA border safeguarding** operations in terms of Section 18(1)(d) of the Defence Act. The DOD deployed 15 sub-units to execute operations along RSA borders in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces. Operational successes included:

- 27 Weapons recovered;
- 9 164 Illegal foreigners apprehended;
- 357 Criminals arrested;
- 120 Stolen vehicles recovered;
- 20 375kg Dagga confiscated;
- 4 592 Livestock recovered;
- 150kg Precious metals confiscated; and
- Contraband goods to the value of R182,222 million confiscated.

The SAS AMATOLA and elements of the Maritime Reaction Squadron conducted four **Op CORONA maritime coastal patrols** in conjunction with the SAPS and Department of Forestry, Fisheries and Environment (DFFE) during FY2024/25:

- The first patrol was conducted along the Western and Eastern Cape coastlines over the period 08 to 29 August 2024.
- The second patrol took place along the Northern KwaZulu-Natal coastline, from 10 to 30 October 2024.
- The third patrol took place along the Eastern Cape coastline over the period 09 January to 28 February 2025.
- The fourth patrol took place along the West Coast from 09 to 30 March 2025.

Op PROSPER safety and security assistance was provided in cooperation with the SAPS to:

- Deter possible acts of violence and criminality and to deter possible threats to critical infrastructure (ESKOM substations) across the country from 16 December 2022. This assistance was ongoing at the time of this Report.
- Combat illegal mining across the country (Gauteng, North West, Limpopo, Mpumalanga, Free State and Northern Cape provinces) to combat illegal mining from 18 October 2023; this support was ongoing at the time of this Report. Operational successes included, *but are not limited to*:
 - o 2 414 Mining phendukas, 314 generators, 162 gas bottles, 128 jack hammers, 21 uncut diamonds, 7 547kg of chrome confiscated, and 15 weapons confiscated.
 - o 636 Suspects were arrested, along with 1 387 undocumented persons apprehended, 50 trucks, nine vehicles and two tractors/JCB Excavators were confiscated.
 - o The total value of all confiscated items is R111,5 million.

The SANDF was not requested to render **Op CHARIOT humanitarian aid and relief assistance** during FY2024/25.

The SANDF was not requested to provide **Op ARABELLA search and rescue assistance** during FY2024/25.

In contributing to **Regional Security** on the continent, forces and equipment were deployed externally to:

- Support the UN Peace Support Operation in the DRC – **Op MISTRAL**.
- South Africa's SADC Pledge was operationalised as follows:
 - o SAMIDRC → **Op THIBA**, to assist with the fight against illegal armed groups in the Eastern parts of the DRC.
 - o SAMIM → **Op VIKELA**, to assist with the insurgency in the Cabo Delgado Province in the Republic of Mozambique.

Challenges

As registered during previous reporting cycles, the most prominent challenge experienced by the Department during FY2024/25 relates to the budgetary baseline reduction imposed on the DOD. This baseline reduction poses serious financial constraints on the Department and to rapidly intervene during crises on the continent.

The baseline reduction furthermore impacts the contribution to the Special Defence Account, which in turn impacts on arresting the decline, by replacing and maintaining the ageing DOD assets.

The SA Air Force was detrimentally impacted by the lack of maintenance contracts for prime mission equipment and/or aircraft not being in place, resulting in, amongst others, the unavailability of spares, which affected the number of hours flown, the level of force preparation and the accreditation of pilots.

The SA Navy continued to experience challenges with sourcing critical ship spares required to effect repairs on the SA Navy legacy ships. The SA Navy's focus during the FY2024/25 was on the

Maintenance and Repair of Prime Mission Equipment, which is required for both Force Preparation and Force Employment. The SA Navy could not achieve the planned 8 000 hours at sea, as a result of multiple backlogs in upkeep, maintenance and repair, inclusive of Refits and Midlife Upgrades, of most of its Prime Mission Equipment. Primary hereto is the elevated risk of backlog of Refits to the Strategic Defence Acquisition Package vessels. An added constraint was the continuing lack of repair capacity at ARMSCOR Dockyard, which was compounded by the challenges encountered in Government's procurement system, which severely hampered optimised maintenance and repair of vessels.

The funding shortage for the maintenance of DOD facilities continued to affect the state of DOD facilities, with the current maintenance backlog amounting to approximately R8,019 billion, exacerbated by the inability of the National DPWI to perform planned and unplanned maintenance, with the result in maintenance not being done, developing into bigger issues of facilities' deterioration. This backlog is increasing on a yearly basis. As a result, the DOD has resorted to devolving the functions of maintenance of infrastructure, both for planned and unplanned maintenance (budgeted under accommodation charges).

Increasing demands for operational health support stretched available resources, overweighing the current capacity of available Health Care Practitioners. The shortage of medical officers and Operational Emergency Care Practitioners for internal and external deployments remains a challenge and has resulted in medical officers and Operational Emergency Care Practitioners being stationed in mission areas for prolonged periods.¹⁶

Key Policy Developments and Legislative Changes

SA Defence Review 2015

The approved SA Defence Review 2015 is the second policy review of this nature in democratic South Africa and maps out the trajectory over the short, medium, and long term that defence will be taking over the next 20 to 30 years.

Due to the declining year-on-year DOD baseline allocation over multiple previous financial years, the expected resource allocation to support the implementation of the SA Defence Review 2015, through the "*Plan to Arrest the Decline*", has not been realised. The year-on-year reductions have contributed to the defence decline, with the cost-driven interventions not realised and the non-cost-driven interventions compromised.

The envisaged implementation of the SA Defence Review 2015 has not been achieved during the 2020–2025 Strategic Period.

¹⁶ See SA Military Health Support Programme Performance, page 80 to 81, for efforts undertaken to re-capacitate the SAMHS.

Future Direction

The President provided strategic direction on the course of action to be pursued on 24 January 2024.

Consequently, to address the Presidential direction provided, and aligned with the Ministerial Priority to **“Conclude a departmental evaluation of the Defence Review 2015 and develop an associated action plan for consultation with the National Executive by 31 October 2024”**, progress made during the reporting period is provided below:

- The Executive Authority submitted the following documentation (supported by the SANDF SWOT Analysis and Environmental Analysis) for consultation with the Presidency and the Minister of Finance on 31 October 2024:
 - o Draft Future Defence Policy Concept.
 - o Draft Military Capstone Concept.
 - o Draft Military Strategy 2025–2055.
- The requirement for consultative engagements with the National Treasury and the Ministry of Finance was agreed upon, and to this extent, a formal engagement with the National Treasury was requested in writing during November 2024.
- It is envisaged that a series of engagements and consultations will be pursued with the President and other critical stakeholders under the direction of the MOD&MV **before** the work is formally tabled in Cabinet and Parliament.
- The following documentation was updated subsequent to the 31 October 2024 submission to the Presidency:
 - o The Draft Defence Capstone Policy Concept for the Republic of South Africa was updated in terms of funding modelling that took place during February and March 2025.
 - o The Draft Military Capstone Strategising Concept for the “Defence and Protection of the Republic of South Africa” was updated following a C SANDF preparatory work session during February 2025.

The South African National Security Council requested the South African National Security Secretariat (SANSS) to provide a report on viable funding for the Defence Force during a session held on 17 March 2025.

The SANSS convened to resolve the necessity of a focused one-day session aimed at reviewing and receiving a comprehensive presentation on the deliverables developed for the Presidency. This session is set to focus on the 31 October 2024 products, providing an opportunity to assess the progress and ensure alignment with the Presidency’s expectations. SANSS directed that prominence should be given to the integration of foreign and security policy considerations.

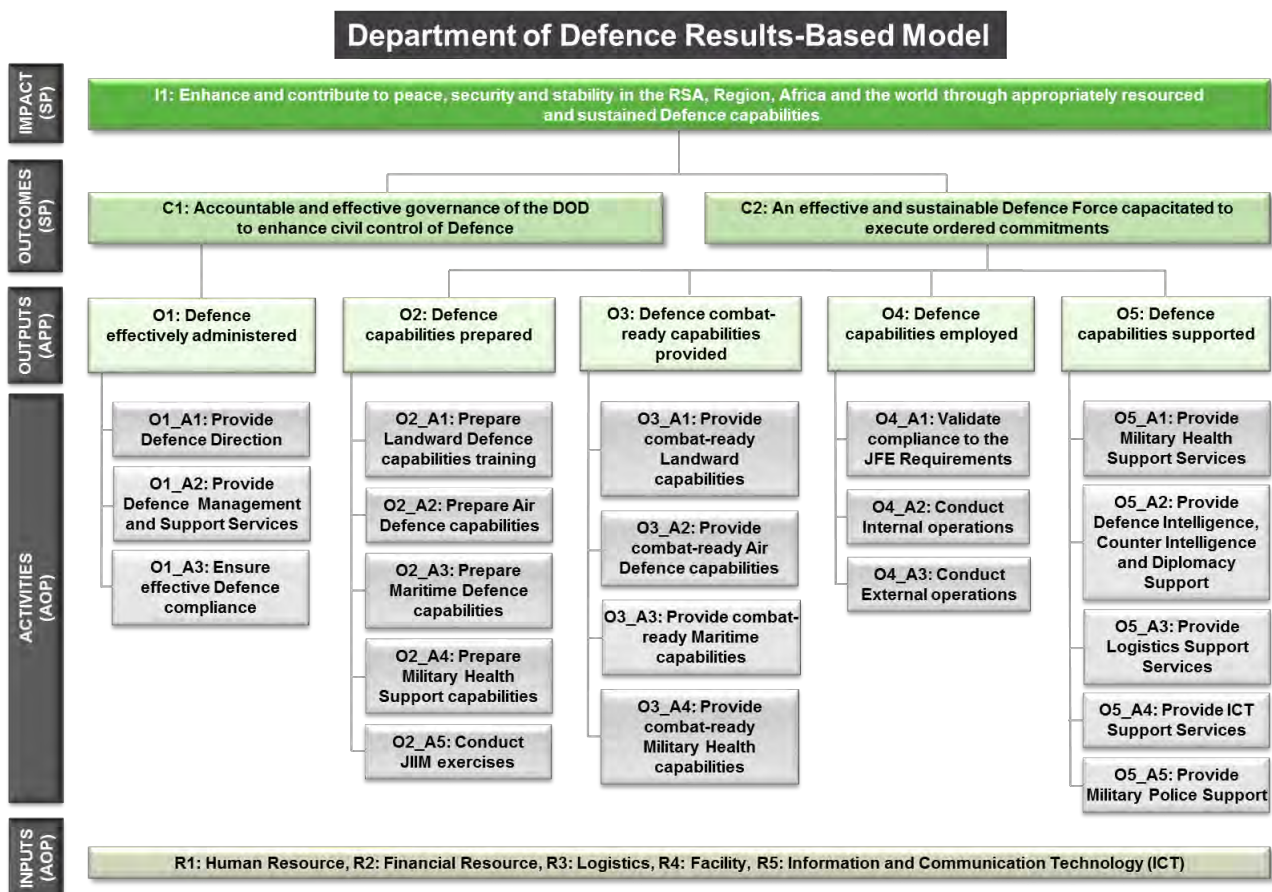
Progress towards Achievement of Institutional Impacts and Outcomes

Results-Based Management Framework

The DOD institutionalised the Results-Based Management Framework as prescribed in the Department of Planning, Monitoring and Evaluation's Revised Framework for Strategic Plans and Annual Performance Plans with effect from FY2020/21.

The DOD utilises this Framework as a tool to ensure that the Department fulfils its Constitutional mandate as expressed in terms of the intended *impact, outcomes and outputs*.

The DOD Results-Based Model is depicted below.¹⁷



¹⁷ The following amendment to the Adjusted DOD Strategic Plan (2020–2025) was included in the DOD APP for 2022: DOD Output 1 “*Defence Strategic Direction Provided*” was amended to read “*Defence effectively administered*” to ensure effective and efficient administration of the DOD, which includes strategic direction, effective management and support services.

Impact Statement

The Defence Impact is defined as “*what we aim to change*” – **Enhance and contribute to peace, security and stability in the RSA, region, Africa and the world through appropriately resourced and sustained defence capabilities** and is managed through the achievement of the planned outcomes.

Outcomes

Defence Outcomes are defined as “*that which we wish to achieve*” and are the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Defence Outcomes are directly related to and aligned with the Constitutional and legislative mandate of Defence as provided below:

- **Accountable and Effective Governance of the DOD to Enhance Civil Control of Defence**

This Outcome measures the extent to which the DOD adheres to Government prescripts and the controls that are put in place to ensure compliance therewith, in achieving the Revised MTSF 2019–2024 priorities.

The Outcome Indicator “*Reduction in the number of Balances Qualified in the Financial Statements*” measures the ability of the Department to reduce the number of audit qualifications through improved internal control processes. During the period under review, the DOD could not manage to reduce audit qualifications to the desired end-state of three.¹⁸

- **An Effective and Sustainable Defence Force Capacitated to Execute Defence Ordered Commitments**

This Outcome measures the defence operations commitments as ordered by means of Memoranda of Agreement, directives and instructions. Operations are conducted internally and externally to the RSA.

The Outcome Indicator “*Percentage compliance with ordered Defence commitments as resourced*” measures the ability of the Department to execute ordered commitments of Government. During the period under review, the DOD partially complied with ordered Defence commitments as resourced. The DOD was unable to conduct Op COPPER long-range maritime patrols due to the unavailability of Naval platforms at the Directed Level of Capability.

¹⁸ Target as per the Adjusted DOD Strategic Plan (2020–2025).

Outputs

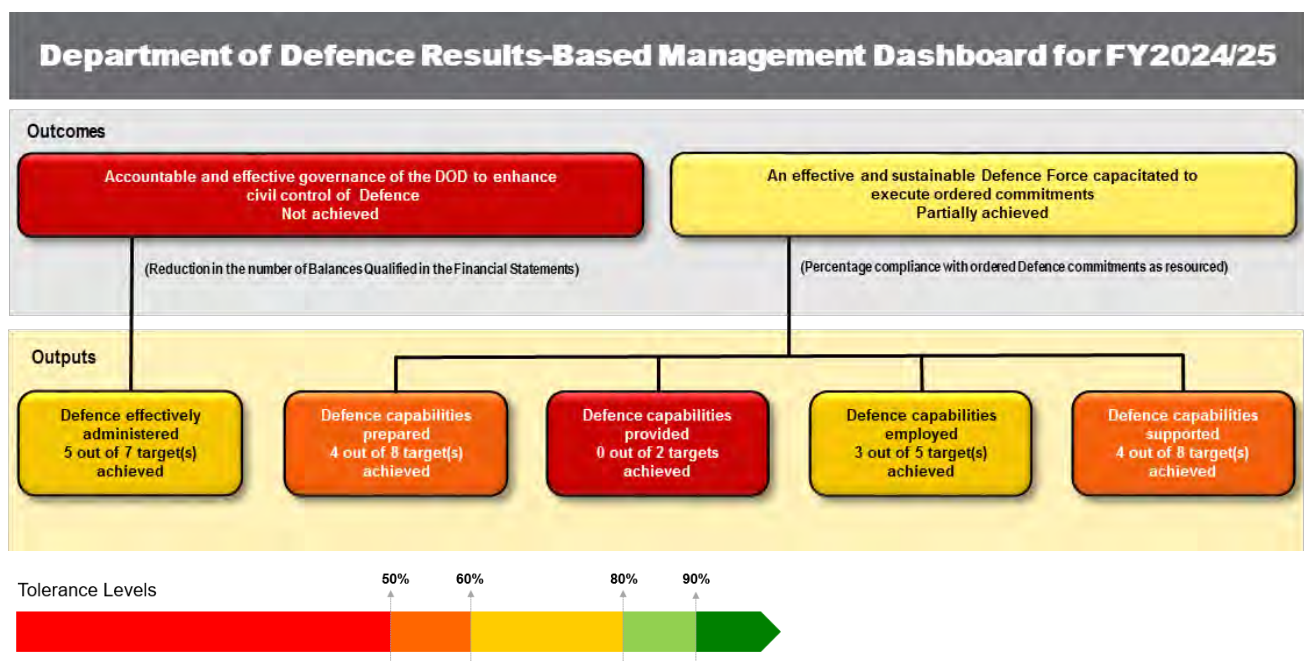
The Defence outputs are defined as “*what the DOD produces or delivers*” and include the final products, goods and services produced for delivery. The five Defence Outputs are:

- Defence **Effectively Administered**
- Defence **Capabilities Prepared**
- Defence **Capabilities Provided**
- Defence **Capabilities Employed**
- Defence **Capabilities Supported**

During the period under review, the DOD partially achieved the set targets against its Output Indicators, resulting in the overall partial achievement of planned Outputs.

Results-Based Management Dashboard

The figure below displays a data visualisation of the DOD’s mandate achievement against the two planned Defence Outcomes and five planned Defence Outputs for FY2024/25.



Medium-Term Strategic Framework 2019–2024

The **Revised MTSF 2019–2024** was endorsed during a Cabinet Lekgotla in September 2021¹⁹ for implementation on 01 October 2021, as follows:

- **MTSF Priority 6: “Social Cohesion and Safer Communities”**

The DOD serves as a supporting department to the MTSF Indicator “*Architecture / design of the Integrated Cybersecurity Centre completed and approved*”, with the State Security Agency as the lead department.

- **MTSF Priority 7: “A Better Africa and World”**

The DOD is the lead department against the MTSF Indicator “*Percentage compliance with external peace missions, rescue operations and humanitarian assistance operations*” and continues to report against external Peace Support Operations, Humanitarian Assistance, Disaster Aid and Disaster Relief as well as Anti-Piracy Operations.

FY2024/25 Progress against the Medium-Term Strategic Framework

In contributing towards **Priority 6: “Architecture/design of the Integrated Cybersecurity Centre completed and approved”**, the DOD, as mandated by the National Cyber Security Policy Framework of 2012, formed part of the Cyber Response Committee that resides under the Justice, Crime Prevention and Security (JCPS) Cluster. The State Security Agency, as the lead department, will develop and operationalise the operating model for an Integrated Cybersecurity Centre. Progress towards the establishment of the Cyber Defence Capacity includes:

- o **Cyber Defence Strategy and Cyber Defence Implementation Action Plan.** The Cyber Defence Strategy and Implementation Action Plan were presented to internal Departmental structures. Additional consultation is ongoing prior to final approval.
- o **HR Requirements.** The Cyber Command is not funded; limited funding is available on the Defence Intelligence Operating Budget. Defence Intelligence deployed a Cyber Element to Op THIBA during the period under review.
- o **Sensor Strategy.** The Sensor Strategy, which needs to be aligned with the Border Safeguarding Optimisation Plan and the Space Command’s Satellite Strategy, is under review, and consultation was ongoing during the period under review.

In contributing to **Regional Security** on the continent, and in terms of **Priority 7: “A Better Africa and World”**, the SANDF:

- Continued to support the UN Peace Support Operation in the DRC – **Op MISTRAL**, as part of the Force Intervention Brigade.

¹⁹ Reference to the Minister in the Presidency’s Ministerial Circular of 06 Oct 2021.

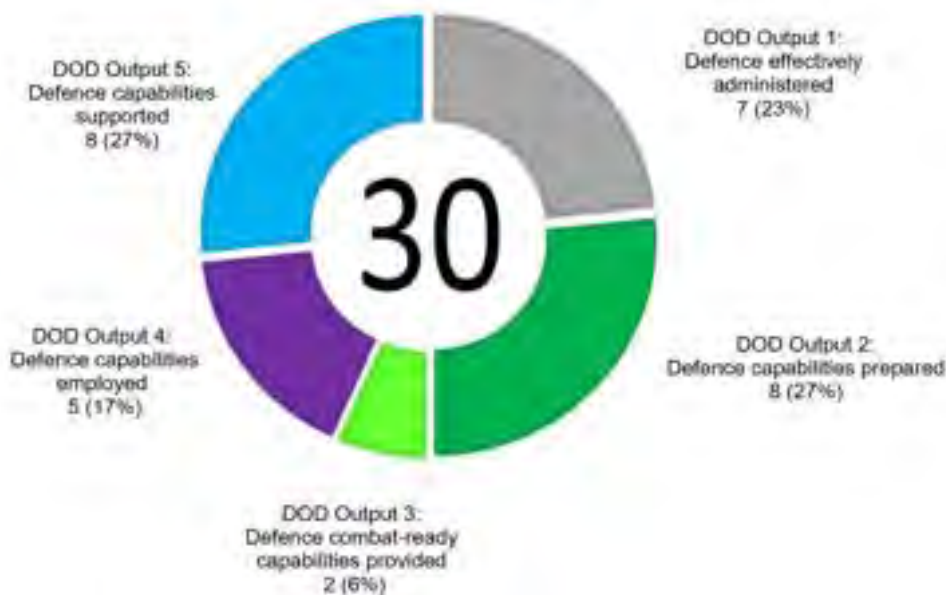
- South Africa's SADC Pledge was operationalised through:
 - o SAMIDRC → **Op THIBA**, to assist with the fight against illegal armed groups in the Eastern parts of the DRC.
 - o SAMIM → **Op VIKELA**, to assist with the insurgency in the Cabo Delgado Province in the Republic of Mozambique.
- No **Op COPPER** long-range maritime patrols could be conducted during the reporting period due to the unavailability of Naval platforms at the Directed Level of Capability.

Institutional Programme Performance Information

Categorisation of DOD Output Indicators for FY2024/25

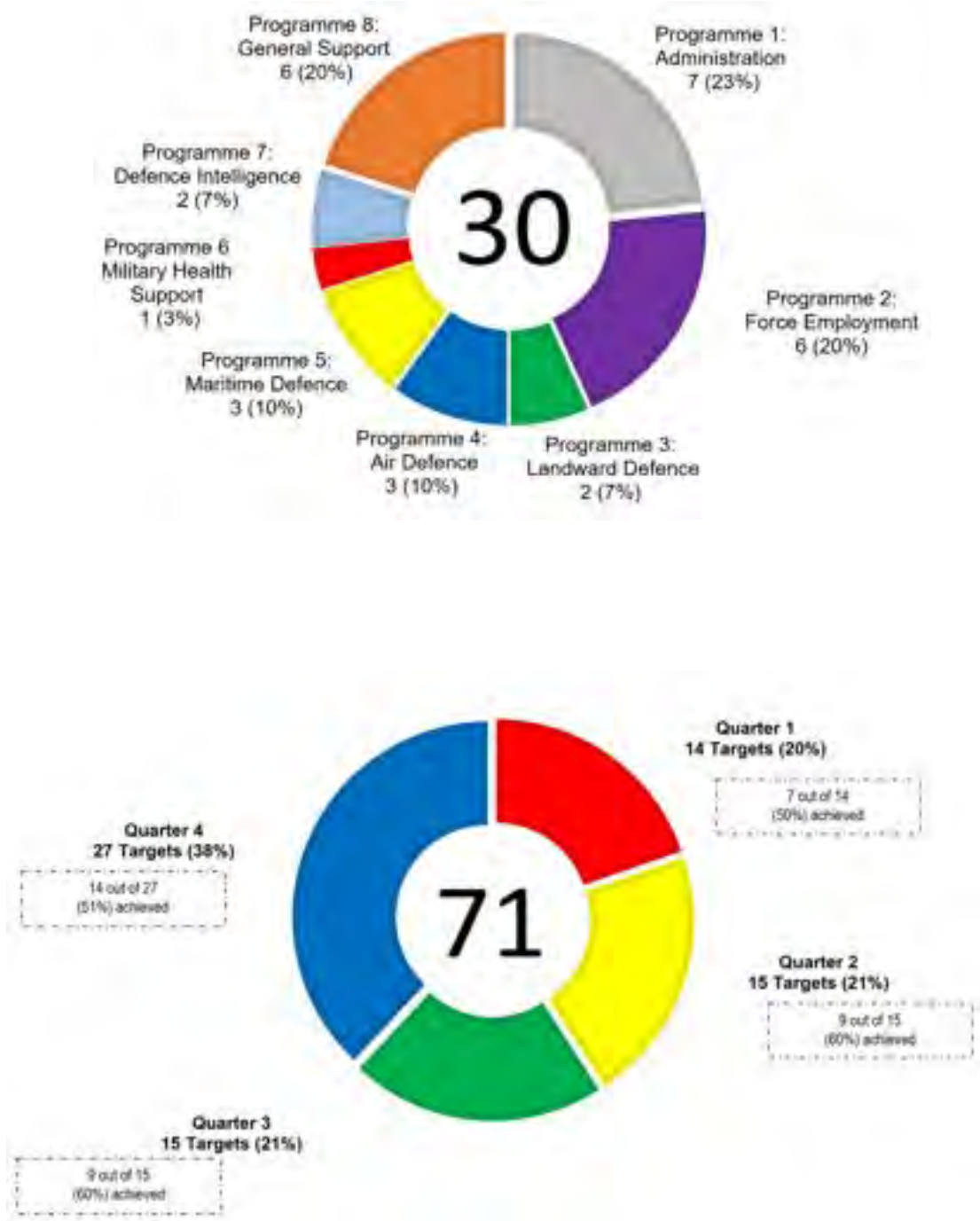
During the year under review, the DOD was measured against **44 Output Indicators**. These Output Indicators consisted of **30 Public** and **14 Classified**²⁰ Output Indicators.

The figure below indicates a breakdown of Public Output Indicators for each of the five DOD Outputs.



²⁰ Performance against Classified Output Indicators is monitored and managed through appropriate SANDF accountability structures. This Classified Information is duly made available for audit by the AGSA.

The following figures provide additional analysis of DOD Public Output Indicators for FY2024/25, the first, per main Programme, and the second displays target setting per quarter.



Performance Information by Programme

Programme 1: Administration²¹

Purpose

The purpose of the Administration Programme is to provide strategic leadership, management and support services to the DOD.

Sub-Programmes

The Administration Programme comprises the following sub-programmes:

- Ministry
- Office of the Deputy Minister
- Departmental Direction
- Policy and Planning
- Defence Enterprise Information System Management
- Financial Administration
- Human Resource Support Services²²
- Legal Services²¹
- Inspection and Audit Services
- Acquisition Services
- Communication Services
- SANDF Command and Control
- Religious Services
- Defence Reserves Direction
- Defence International Affairs
- Office Accommodation

Programme Outline

The Administration Programme ensured effective leadership, strategic management and support services to the Department. During the reporting period, this was achieved, amongst others, by means of the enhancement of internal controls aligned with the regulatory framework.

²¹ The Administration Programme consists of Defence Secretariat and SANDF sub-programmes, contributing to the DOD Output “*Defence effectively administered*”.

²² Central/shared Staff.

Departmental Direction

The Secretary for Defence, as Head of Department and Accounting Officer, is the principal advisor to the Executive Authority on policy matters. The Secretary for Defence assists the MOD&MV in enhancing civil control and ensuring, inter alia, the provisioning and maintenance of effective, efficient, and transparent financial and risk management systems and internal control within the Defence portfolio.

The Secretary for Defence Focus Areas supported the following MOD&MV Priorities during FY2024/25:

- Provide Strategic Direction to the DOD.
- Ensure Departmental Governance, Administration and Accountability within the Regulatory Framework.
- Execute Prioritised Ordered Defence Commitments in accordance with South Africa's Defence and Security Requirements.

Strategic direction was provided to the DOD through various governance activities and interventions. These included timely decision-making on strategic and defence diplomacy matters, effective management and processing of official departmental documents, chairing of various DOD management bodies, as well as the attendance of Directors-General meetings, Cabinet Lekgotlas and Government Clusters.

The Secretary for Defence, as the Co-Chairperson of the JCPS Cluster at the time, played a pivotal role in ensuring that the 2024 National and Provincial Elections took place in a safe and secure environment, which led to the conclusion of the 2024 National and Provincial Elections having been declared peaceful, free and fair. The conclusion of the Elections ushered in the 7th democratically elected Administration in the 30 years of South Africa's freedom and democracy. Government acknowledged the valuable contributions by the law enforcement agencies under the leadership of the Secretary for Defence and the National Police Commissioner, who worked diligently to ensure that the 2024 National and Provincial Elections took place in a peaceful, non-violent and safe environment.

SANDEF Command and Control

During the year under review, the C SANDEF provided strategic military direction to ensure the execution of the SANDEF's Constitutional mandate and ensured adherence and compliance to higher-order imperatives and directions.

C SANDEF interacted with SADC Chiefs of Defence Forces on planned activities with the primary focus on discussing mutual military concerns and strengthening the existing defence-military relations between countries.

Defence Policy, Strategy and Planning

The Chief Defence Policy, Strategy and Planning, as the main advisor on defence policy matters and coordination of the Departmental Strategic Direction process, continued to provide support to the Accounting Officer by means of the provisioning of Defence Strategic Direction and Management.

Defence Cluster engagement services were provided by facilitating, participating and providing secretariat services to various Government structures, amongst others: National Joint Operational and Intelligence Structure, Special National Security Council and the JCPS Cluster Planning and Monitoring Committee. This unit coordinated various executive transitional matters in the 7th Administration; the most prominent priority areas attended to during FY2024/25 related to the National Elections (pre- and post-activities), the Presidential Inauguration, and the combating of illegal mining activities. Support efforts were directed towards the coordination of activities relevant to the opening of Parliament and the State of the Nation Address.

In support of the legislative requirements applicable to the Accounting Officer and the Executive Authority, the following accountability documents were finalised within the prescribed timeframes during FY2024/25:

- Tabling of the DOD Annual Report for FY2023/24 in the National Assembly (NA) and the National Council of Provinces (NCOP) on 26 September 2024.
- Submission of DOD Quarterly Performance Status Reports to the Executive Authority, Parliamentary Oversight Committees and the Department of Planning, Monitoring and Evaluation, amongst others, according to the applicable regulatory framework.
- Due to the development of the Medium-Term Development Plan (2024–2029) and the postponement of the Budget Vote by the Minister of Finance to 12 March 2025, reporting on the finalisation and final approval of the DOD Strategic Plan (2025–2030), as well as the tabling in Parliament to both the NA and the NCOP, were postponed to the first week of April 2025. The DOD Strategic Plan (2025–2030) and the DOD APP for the 2025/26 Medium-Term Expenditure Framework were presented and endorsed by the relevant DOD Command Bodies prior to submission thereof to the Executive Authority for consideration and final tabling in the NA and NCOP on 04 April 2025.

The development, approval, promulgation and maintenance of Departmental Policies were conducted within a single and standardised system that is regulated by the Chief Defence Policy, Strategy and Planning. The Secretary for Defence, as Head of the Department and Accounting Officer, authorises Departmental Policies for implementation in the DOD. The C SANDF, as Commander of the Force, issues an implementation order to Services and Divisions under his command for implementation in the SANDF.

During the year under review, the Departmental Policy System managed to ensure that the DOD establishes and maintains up-to-date and appropriate Departmental (Level 1) Policies, aligned with Government Legislation. The following 11 Departmental (Level 1) Policies were promulgated during FY2024/25:

- DODI/00017 (Edition 6): Policy, Processes and Procedures for Budget Control in the DOD.
- DODP/00066 (Edition 5): Policy on Information and Communication Systems Security in the DOD.
- DODPP/00066 (Edition 1): Processes and Procedures for Information and Communication Systems Security in the DOD.
- DODI/00080 (Edition 1): Policy on Inventory Stocktaking and Asset Verification in the DOD.
- DODI/00096 (Edition 2): Policy on Job Description and Job Evaluation in the DOD.

- DODP/00166 (Edition 2): Policy on the Development, Promulgation and Maintenance of Joint Doctrine in the SANDF.
- DODPP/00166 (Edition 2): Process and Procedures for Research, Development, Establishment, Approval, Promulgation, Maintenance and Management of Joint Doctrine in the SANDF.
- DODI/00210 (Edition 1): Policy on Cryptographic Security in the DOD.
- DODI/00045 (Edition 2): Policy on Physical Training in the DOD.
- DODP/00033 (Edition 4): Policy on Leave of Absence for SANDF Members.
- DODI/00072 (Edition 2): Policy on Management of Public Service Act Personnel on Probation in the DOD.

Financial Management

During the reporting period, through the Office of the Chief Financial Officer, the Accounting Officer was assisted with the execution of her PFMA Section 38 responsibilities, specifically relevant to financial management, in areas ranging from budget preparation and control to financial accounting and reporting.

Compliance with the legislative framework and timelines was ensured by submitting the following DOD financial management products to Government entities:

- Interim and Annual Financial Statements.
- Estimate of National Expenditure.
- Adjusted Estimate of National Expenditure.
- In-year Monitoring Reports, Compliance Certificates, and Financial Misconduct Reports, among others.

The Department endeavoured to ensure compliance with the PFMA and Treasury Regulation 8.2.3, pertaining to the payment of legitimate invoices within the period of 30 days. During FY2024/25, the DOD managed to pay a total of 78.25% of legitimate invoices received.

An improvement in the turnaround time to pay legitimate invoices has been achieved, due to measures implemented focusing on obstacles that delay payments, and streamlining of the overall payment process:

- Regular consultations were conducted with all relevant stakeholders. These engagements facilitated the identification and resolution of obstacles that impede the efficient processing of invoice payments.
- A structured training initiative has been introduced, fostering collaboration between Supply Chain Management and Finance. This programme aims to optimise processes and enhance operational efficiency in invoice management.

Acquisition Services

The Chief Defence Matériel, as the main policy advice repository for the MOD&MV and the Secretary for Defence, directed and managed the acquisition of DOD-specified prime mission equipment and technology requirements within the allocated budget and in accordance with policies and prescripts.

A nodal point was provided for the management of the Intangible Asset Policy. This is a critical component of defence knowledge management that includes the management of defence-related Intellectual Property in collaboration with ARMSCOR.

By enforcing defence matériel governance, civil oversight over the DOD Matériel Supply Chain (Procurement) and the Facility Environment Management functions was enhanced. Industry support was provided by developing and implementing a comprehensive Governance, Risk and Compliance Framework for all stakeholders.

The Department continued to foster international collaborations in the defence industry; South Africa hosted several visits, highlighting its commitment to African defence relations. During the year under review, pivotal international defence dialogues took place, amongst others with:

- Tanzania, where the importance of skills transfer and technology cooperation was emphasised;
- Ghana, where bilateral relations were strengthened, focusing on training and defence industry collaboration;
- United States of America, focusing on enhancing trade for South African defence exports and supporting small, medium and micro-enterprise research funding; and
- The Democratic Republic of Congo, where the focus was on strengthening bilateral defence relations and advancing industries through joint ventures.

Defence Diplomacy

Defence International Affairs managed to maintain, foster and expand the existing bilateral defence diplomatic relationships with most of the DOD's strategic partners; by contributing and supporting, amongst others, Government's International Relations Policy, through the support provided to the DIRCO which was also furthermore supported in all bilateral and multilateral relationships wherein the DOD is the national partner department.

Participation in various Defence Committee meetings took place and Defence principals were supported during defence diplomacy activities, amongst others with Ghana, Ivory Coast, Angola, Vietnam and Pakistan.

Defence Legal Services

During the year under review, the Adjutant General ensured that the Defence Legal Services Division provided professional, legitimate and deployable Legal Services and Support to internal and external operations as per ordered commitments and commensurate with the needs of the Department.

Defence Legal Services continued to work in partnership with the office of the State Attorney to reduce the number of litigation cases for and against the DOD and continued with liaison efforts with other Government departments and the State Law Advisor to ensure that all litigation is effectively attended to in the best interest of the DOD.

The Adjutant General facilitated the following operational support, amongst others:

- Force Preparation Legal Support for military exercises.
- Complied with ordered commitments with respect to Operations Law Support and drafting of Legal Instruments for external and internal operations.

Additionally, through the Office of the Adjutant General, support was provided in the drafting of the Status of Forces Agreement (SOFA) for the Tactical Intelligence Unit deployed to support the Force Intervention Brigade in the United Nations Organisation Mission in the Democratic Republic of Congo (MONUSCO), facilitation of the Memorandum of Understanding with certain countries, Memorandum of Agreement with Government departments, SOFA and implementing arrangements for all multinational exercises, support to other state departments, policy prescripts and instructions towards the sustainment of the military legal defence capability.

In conclusion, legal support to the RSA delegates during multi-lateral meetings in and outside the country was provided.

Performance Status

The table below provides details of the Administration Programme performance status against output indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2024.²³

Administration Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence		
Defence effectively administered	Percentage adherence to the DOD Master Record Index for Policies	Target 60% Actual 71.6% Comment 71.6% of Departmental Policies are not overdue on their revised or promulgation date. Eleven Departmental (Level 1) Policies were promulgated in FY2024/25.²⁴

²³ Refer to Part F, Financial Information, “Appropriation Statement”, page 241, for detailed expenditure figures for the Administration programme.

²⁴ Details on policies promulgated during FY2024/25 are provided under the Administration Programme in Part B (pages 55 to 56).

Administration Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence		
Defence effectively administered	Percentage adherence to the DOD Master Record Index for Plans	Target 100% (41) Actual 87.8% (36 out of 41) Deviation Five Planning Instruments for the 2025/26 MTEF were not completed and/or submitted in time, in accordance with the DOD MRI for Plans. Comment 36 out of 41 Planning Instruments for the 2025/26 MTEF were submitted in accordance with the DOD MRI for Plans in FY2024/25. Three Level 2 APPs for the 2025/26 MTEF that were not submitted in accordance with the planned target date have subsequently been submitted. The following two Functional and Support Plans for the 2025/26 MTEF were not submitted in accordance with the planned target date and remain outstanding: • Reserve Force Corporate Plan for the 2025/26 MTEF. • DOD Risk Based Internal Audit Plan for the 2025/26 MTEF.
	Evaluation of the SA Defence Review 2015 completed	Target (2) Evaluation of the SA Defence Review 2015 and action plan completed by 31 Oct 2024 Actual (2) Evaluation of the SA Defence Review 2015 and action plan completed by 31 Oct 2024 Comment The Executive Authority submitted the following documentation (supported by the SANDF SWOT Analysis and Environmental Analysis) for consultation with the Presidency and the Minister of Finance on 31 Oct 2024: • Draft Future Defence Policy Concept. • Draft Military Capstone Concept. • Draft Military Strategy 2025 – 2055.
	Number of Reserve Force mandays per year ²⁵	Target 1 997 872 Actual 3 664 429 Deviation The deviation of 1 666 557 mandays to the value of Rb1,407 was incurred as a result of the increased utilisation of Reserve Forces to augment HR capacity constraints for: • support current military operations; • meet administrative compliance obligations of the DOD; • provide protection services (guards).

²⁵ Through this Performance Indicator, the Department provides strategic direction to Services and Divisions on the number of Reserve Forces, which can be utilised per year, as resourced.

Administration Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence		
Defence effectively administered	Percentage audits completed in terms of the resourced Risk Based Internal Audit Plan	Target 100% Actual 100% Comment The Department completed 37 out of 37 audits as per the revised Internal Audit Plan for FY2024/25.
	Percentage payments within 30 days from receipt of legitimate invoices	Target 75% Actual 78.2% Comment The Department paid 438 860 out of 561 088 legitimate invoices within 30 days of receipt. ²⁶
	Percentage compliance to the DOD Interim Policy on Preferential Procurement	Target 100% Actual 100% Comment The awarding of tenders complied with the policy outputs ²⁷ of the DOD Interim Policy on Preferential Procurement.

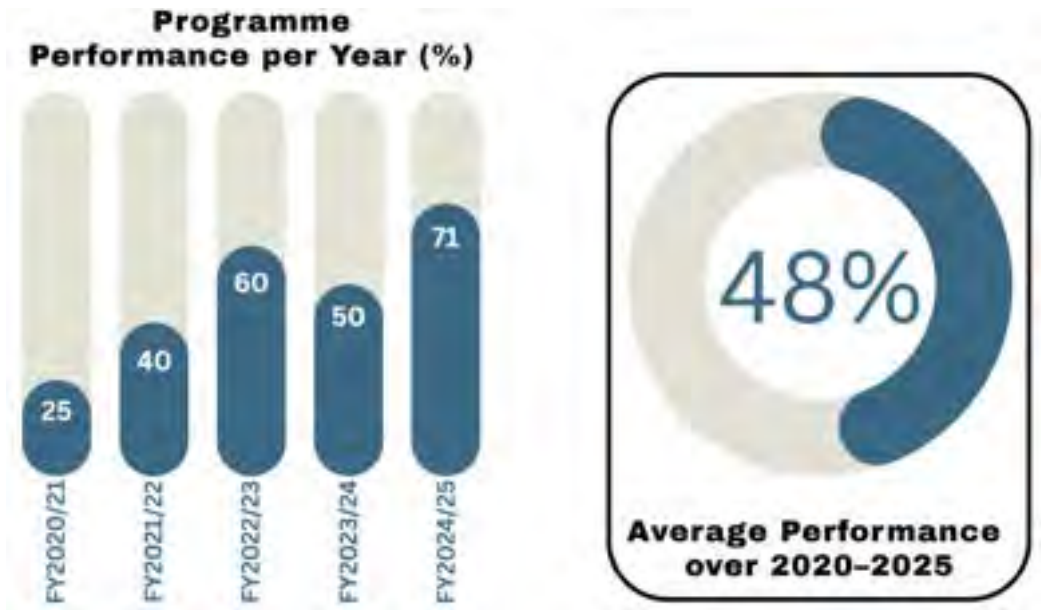
²⁶ Management interventions/mechanisms implemented in FY2024/25 to endeavour adherence to Treasury Regulation 8.2.3 are listed in Part B under the Administration Programme (page 56) and in Part E (PFMA Compliance Report), page 186 to 187.

²⁷ The DOD Interim Policy on Preferential Procurement Policy outcomes include:

- Increased level of awards to HDIs through the application of specific goals in the DOD.
- Increased level of spending to HDIs through the application of specific goals in the DOD.
- Improved level of collaboration with SMMEs.
- Promotion of section 5 read together with section 9 of the Military Veterans Act 18 of 2011.

Performance over the 2020–2025 Strategic Period²⁸

Over the five-year strategic period from FY2020/21 to FY2024/25, the Administration Programme has shown a steady improvement in performance, increasing from 25% in the first year to 71% in the final year. The average performance across all five years stands at 48%, indicating moderate overall progress with a notable annual increase in non-financial performance.



Enhanced accountability arrangements implemented, along with timely review of Departmental (Level 1) Policies and the submission of the SA Defence Review 2015 Evaluation and Action Plan, contributed to the improved performance towards the final year of the 2020–2025 Strategic Period.

²⁸ The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Programme 2: Force Employment

Purpose

The purpose of the Force Employment Programme is to provide and employ defence capabilities, including an operational capability, to successfully conduct operations, as well as joint, interdepartmental, interagency and multinational (JIIM) military exercises.

Sub-Programmes

The Force Employment Programme comprises the following sub-programmes:

- Strategic Direction
- Operational Direction
- Special Operations
- Regional Security
- Support to the People

Programme Outline

The primary purpose of the SANDF is to *“defend and protect the RSA, its territorial integrity and its people in accordance with the Constitution and the principles of international law regulating the use of force”*.

Through the Force Employment Programme, defence capabilities are provided and employed, including an operational capability, to successfully conduct all operations as well as JIIM military exercises.

Support to the People

In pursuance of the SANDF primary purpose, and in **Support to the People**, through the Force Employment Programme, Joint Operations contributed towards **MTSF Priority 6: “Social Cohesion and Safer Communities”** with the continued execution of border safeguarding operations in terms of Section 18(1)(d) of the Defence Act, by deploying 15 sub-units to execute operations along the borders in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces. Operational successes included 27 weapons recovered, 9 164 illegal foreigners apprehended, 357 criminals arrested, 120 stolen vehicles recovered, 20 375kg dagga confiscated, 4 592 livestock recovered, 150kg precious metals confiscated, and contraband goods to the value of R182,222 million confiscated.

Joint Operations was not requested to render support to other Government departments relevant to disaster aid relief and humanitarian assistance, in the preservation of life, health, or property.

Safety and security support were rendered in co-operation with the SAPS in the prevention of crime and maintenance and preservation of law and order by deploying soldiers to deter possible threats

to critical infrastructure (ESKOM substations) in Limpopo, Mpumalanga and the Free State provinces and to combat illegal mining across the country in Gauteng, North West, Limpopo, Mpumalanga, Free State and Northern Cape provinces.

Illegal mining successes included, *but are not limited to*: 2 414 mining phendukas, 314 generators, 162 gas bottles, 128 jack hammers, 21 uncut diamonds, 7 547kg of chrome confiscated, and 15 weapons confiscated. 636 Suspects were arrested, along with 1 387 undocumented persons apprehended, 50 trucks, nine vehicles and two tractors/JCB Excavators were confiscated. The total value of all confiscated items was estimated at R111,5 million.

Major Events. Safety and security support was also rendered to the SAPS by deploying Force Structure Elements (FSEs) across the country to safeguard the National and Provincial Elections on 29 May 2024; in Cape Town, Western Cape, to provide static perimeter protection during the Opening of Parliament on 18 July 2024 and the State of the Nations Address on 06 February 2025.

Regional Security

Regional Security, in support of **MTSF Priority 7: “A better Africa and a Better World”**, was achieved through the deployment of personnel and equipment in one UN-mandated peace support operation in the DRC.

During the period under review, capabilities in support of SADC Missions were deployed in two general military assistance operations:

- To support the Republic of Mozambique (SAMIM) to combat acts of terrorism and violent extremists that affected areas in the Cabo Delgado Province; this Operation was terminated in December 2024, and all personnel and equipment were returned to the RSA; and
- To assist in the SADC Mission in the DRC (SAMIDRC) to support the Government of the DRC in its effort to neutralise the negative forces and illegal armed groups by restoring peace and security in the Eastern parts of the DRC.

Joint, Interdepartmental, Interagency and Multinational Military Exercises

Ex IBSAMAR, a **Multinational Maritime Exercise**, that is held on a biannual basis between India, Brazil and South Africa, was conducted in Simon’s Town over the period 07 to 16 October 2024.

This exercise, under the theme “*Shared Interoperability Towards Regional Ocean Governance*”, aimed to strengthen ties, enhance skills and prepare the participating navies for future operations. Ex IBSAMAR also served as a potential deterrent for maritime criminal activities within the area of operation.

Performance Status

The table overleaf provides details of the Force Employment Programme performance status against output indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2024.²⁹

²⁹ Refer to Part F, Financial Information, “Appropriation Statement”, page 244 for detailed expenditure figures for the Force Employment programme.

Force Employment Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Number of planned joint, interdepartmental, interagency and multinational military exercises conducted per year ³⁰	Target 2 Actual 1 Deviation Ex OXIDE, scheduled to take place in Q2, was cancelled given that SA Navy commitments were reduced to focus on the refitting of vessels. Comment Ex IBSAMAR, a Multinational Maritime Exercise between India, Brazil and South Africa, was conducted in Simon's Town from 07 to 16 Oct 2024 with the aim to enhance interoperability and strengthen cohesion between the three participating naval forces. The exercise also served as a potential deterrent for maritime criminal activities within the area of operation.
	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> ³¹
Defence combat-ready capabilities provided	Percentage combat-ready capabilities available for the SANDF	<i>Information Classified</i>
Defence capabilities employed	Number of landward sub-units deployed on border safeguarding per year ³²	Target 15 Actual 15 Comment The SANDF deployed 15 sub-units to execute Op CORONA (Border Safeguarding) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.

³⁰ The JIIM military exercise schedule is dependent on higher-order decisions and the participation of foreign countries.

³¹ Where the report refers to "*Information Classified*", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly made available to the AGSA for audit.

³² The National Security Strategy requires the deployment of 22 sub-units for border safeguarding. The Military Appreciation on Border Safeguarding determine that the Department deploy 22 sub-units to secure and safeguard the borders of the RSA. However, owing to the limited provision of combat-ready capabilities by Services and Divisions due to defence budget allocation reductions over the previous MTEF periods, the DOD will remain with the current deployment of 15 sub-units on border safeguarding.

Force Employment Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities employed	Percentage compliance with number of external operations per year ³³	Target 100% Actual 75% Deviation No Op COPPER Long-Range Patrols were conducted in FY2024/25. The underachievement can be attributed to the unavailability of the SA Navy vessels at the Directed Level of Capability due to procurement challenges and a lack of repair capacity at the ARMSCOR Dockyard. Comment The Concept of Operations for Op COPPER is being reviewed. - SANDF forces deployed in Op MISTRAL (UN Peace Support Operation in DRC [MONUSCO]). - SANDF forces deployed in the following General Military Assistance operations: - Op THIBA (Participation in the SADC Mission in the DRC [SAMIDRC]). - Op VIKELA (Participation in the SADC Mission in Mozambique [SAMIM]).
	Percentage compliance with force levels for external operations	<i>Information Classified</i>
Defence capabilities employed	Percentage compliance with the Southern African Development Community Standby Force Pledge per year	Target 100% Actual 85%³⁴ Deviation The SA Air Force and Navy could not provide the required capabilities as pledged. The underachievement can be attributed to: - The unavailability of serviceable aircraft due to contract placement delays and funding for maintenance and spare parts – exacerbated by long lead times to obtain spare parts, inadequate stock levels, and obsolescence. - The unavailability of the SA Navy vessels at the Directed Level of Capability due to procurement challenges and a lack of repair capacity at the ARMSCOR Dockyard. Comment The Concept of Operations for Op COPPER is being reviewed. SANDF FSEs deployed in peace missions constituted part of the SANDF's contribution to the African Standby Force. These pledges were not additional to SANDF force requirements.

³³ The deployment of the SANDF by the President, as Commander-in-Chief, is in relation to the compliance with number of ordered commitments (external and internal operations). The MOD&MV has thus resolved to comply with all (100%) ordered commitments (external and internal operations). The actual numbers cannot be pre-determined and can only be reported on after the finalisation of the audit process.

³⁴ Actual achievement calculated in accordance with the approved SOP. The method of calculation stipulated in the TID will be updated to align with the SOP in future planning instruments.

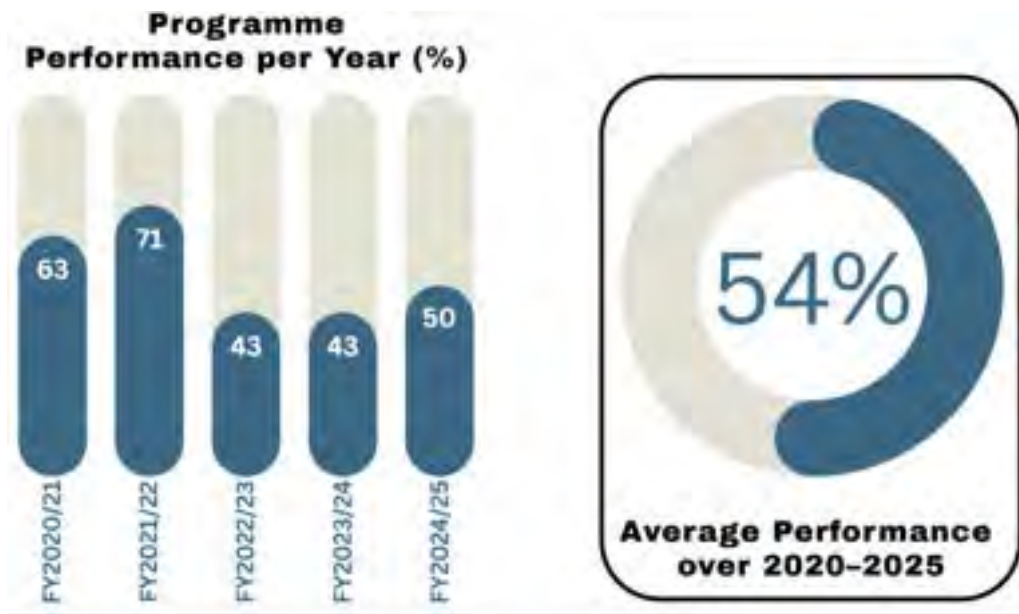
Force Employment Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
	Percentage compliance with number of internal operations per year ³⁵	Target 100% Actual 100% ³⁶ Comment SANDF forces deployed in all internal operations ordered during FY2024/25: - Op PROSPER (Support to Government departments, mainly SAPS [i.e. Safety and Security Support]). - Op CHARIOT (Disaster Aid and Relief [Humanitarian Assistance]). - Op ARABELLA (Search and Rescue). - Op CORONA (Border Safeguarding).
	Percentage compliance with self-sustainment of personnel for external operations	<i>Information Classified</i>
	Percentage compliance with serviceability of main equipment for external operations	<i>Information Classified</i>
Defence capabilities employed	Number of Maritime Coastal Patrols conducted per year	Target 4 Actual 4 Comment The SAS AMATOLA and elements of the Maritime Reaction Squadron conducted four Op CORONA maritime coastal patrols in conjunction with the SAPS and DFFE during FY2024/25: - The first patrol was conducted along the Western and Eastern Cape coastlines over the period 08 to 29 Aug 2024. - The second patrol took place along the Northern KwaZulu-Natal coastline, from 10 to 30 Oct 2024. - The third patrol took place along the Eastern Cape coastline over the period 09 Jan to 28 Feb 2025. - The fourth patrol took place along the West Coast from 09 to 30 Mar 2025.

³⁵ Internal operations include border safeguarding and operations in support of other government departments (safety and security support, disaster and aid relief and search and rescue).

³⁶ The SANDF was not requested to render Op CHARIOT humanitarian aid and relief assistance or provide Op ARABELLA search and rescue assistance during FY2024/25.

Performance over the 2020–2025 Strategic Period³⁷

The Force Employment Programme's performance over the five-year strategic period, from FY2020/21 to FY2024/25, reflects some variability, starting strong at 63% and peaking at 71% in FY2021/22, followed by a decrease in performance. The average performance across all five years is 54%, indicating a moderate overall achievement.



The largest SANDF deployment in its history, under Op NOTLELA in response to the coronavirus disease 2019 (COVID-19) pandemic, led to the Force Employment Programme's strong performance in the first two years of the strategic period. The effect of underfunding subsequent to the COVID-19 period became evident from FY2022/23 onwards, where the Air Defence and Maritime Defence Programmes grappled to provide the required capabilities towards SADC Pledges, external operations and maritime coastal patrols through the Force Employment Programme.

³⁷ The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Programme 3: Landward Defence

Purpose

The purpose of the Landward Defence Programme is to provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

Sub-Programmes

The Landward Defence Programme comprises the following sub-programmes:

- Strategic Direction
- General Training Capability
- Infantry Capability
- Armour Capability
- Artillery Capability
- Air Defence Artillery Capability
- Engineering Capability
- Operational Intelligence
- Command and Control Capability
- Support Capability
- Signal Capability

Programme Outline

The SA Army's mandate is to prepare and provide combat-ready user systems in support of the second line for the employment of forces by the SANDF. The SA Army endeavoured to support the SA Army theme *"Refining and Defining Maintenance of Momentum despite Adversity as a Critical Success Factor in Restoring the Dignity of the SA Army to its Rightful Glory"* during the year under review.

The SA Army supported the MTSF Priorities and the strategic intent of the DOD by providing **combat-ready landward forces for employment** in the defence and protection of the RSA.

The SA Army contributed to **MTSF Priority 6: "Social Cohesion and Safer Communities"** and **MTSF Priority 7: "A Better Africa and a Better World"** as follows:

- In support of the Joint Force Employment Requirements, the SA Army provided forces in the external theatre in support of the United Nations Mission in the DRC (Op MISTRAL).
- The SA Army provided forces in support of the SADC Pledge in Mozambique (Op VIKELA) and the DRC (Op THIBA).

- Prepared, provided and supported combat-ready FSEs by maintaining 15 sub-units to execute border safeguarding in support of Op CORONA.

The SA Army provided support to the DPWI with the construction of low-cost bridges, under the **Welisizwe Rural Bridges Programme**, in KwaZulu-Natal, Eastern Cape, North West, Mpumalanga, Limpopo and Free State provinces. The SA Army engineers completed the construction of 19 bridges (four in KwaZulu-Natal, nine in Eastern Cape, one in North West and four in Mpumalanga). Progress was reliant on DPWI's support.

The SA Army conducted four Landward Defence Unique Training Exercises during FY2024/25:

- Ex PHUMULA was conducted in the form of a Command Post Exercise (CPX) over the period 24 to 31 August 2024. The primary training audience was prepared for mobilising for deployment on Op CORONA Sep 2024 rotations.
- Ex PHIRIMA was conducted in the form of a CPX and Field Training Exercise (FTX) over the period 28 August to 04 October 2024. The primary training audience was prepared for Op MISTRAL deployment.
- Ex MADULO took place from 14 October to 03 December 2024 to ensure combat readiness and provision of landward defence combat-ready capabilities.
- Ex MATHA was conducted in the form of a Jungle Warfare training exercise in preparation for external operations, over the period 01 February to 14 March 2025. The primary training audience was prepared for Op MISTRAL deployment.

The SA Army planned to present 49 common Learning Programmes and train 5 355 learners during FY2024/25; 39 common Learning Programmes with an attendance rate of 68.9% were successfully presented, and 3 692 learners were found competent (68.94% of the planned target).

Performance Status

The table below provides details of the Landward Defence Programme performance status against output indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2024.³⁸

Landward Defence Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Landward Defence training targets	Target 100% (5 355) Actual 68.94% (3 692) Deviation Higher-order commitments were prioritised, which resulted in the underachievement of training targets. Comment Training targets were adjusted in future planning instruments, given that course backlogs have been reduced.

³⁸ Refer to Part F, Financial Information, "Appropriation Statement", page 247 for detailed expenditure figures for the Landward Defence programme.

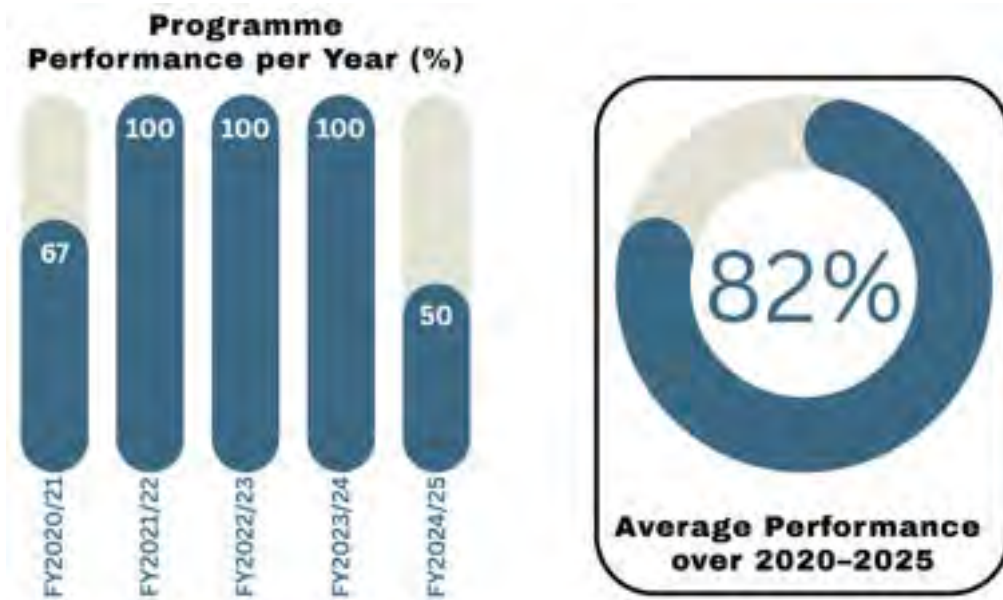
Landward Defence Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
	Number of Landward Defence unique force training exercises conducted	Target 4 Actual 4 Comment The following Landward Defence unique force training exercises were conducted at the Combat Training Centre in Lohatla during FY2024/25: • Ex PHUMULA was conducted in the form of a CPX over the period 24 to 31 Aug 2024. The primary training audience was prepared for mobilising for deployment on Op CORONA Sep 2024 rotations. • Ex PHIRIMA was conducted in the form of a CPX and FTX over the period 28 Aug to 04 Oct 2024. The primary training audience was prepared for Op MISTRAL deployment.³⁹ • Ex MADULO took place from 14 Oct to 03 Dec 2024 to ensure combat readiness and provision of landward defence combat-ready capabilities. • Ex MATHA was conducted in the form of a Jungle Warfare training exercise in preparation for external operations, over the period 01 Feb to 14 Mar 2025. The primary training audience was prepared for Op MISTRAL deployment.
Defence combat-ready capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified ⁴⁰
	Percentage combat-ready capabilities available for the SANDF	Information Classified

³⁹ Ex PHIRIMA, planned for Q1, was rescheduled to be conducted in Q2 as forces earmarked for the exercise were committed to Op PROSPER (ESKOM and National Elections).

⁴⁰ Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly made available to the AGSA for audit.

Performance over the 2020–2025 Strategic Period⁴¹

The Landward Defence Programme demonstrated a consistently strong performance across the strategic period, achieving all of its targets for three consecutive years before a decline in the final year. With performance ranging from 50% to 100%, the Programme achieved an average performance of 82% across the five-year strategic period.



It should be noted that the performance was measured against an average of two (public) DOD output indicators over this period. The Landward Defence Programme endeavoured to address the backlog in training targets, which materialised during the COVID-19 period and resulted in an overachievement of targets between FY2021/22 and FY2023/24. Landward Defence force unique exercises were consistently executed to ensure combat readiness and that SADC pledge contributions are fulfilled.

⁴¹ The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Programme 4: Air Defence

Purpose

The purpose of the Air Defence Programme is to provide prepared and supported air defence capabilities for the defence and protection of South Africa.

Sub-Programmes

The Air Defence Programme comprises the following sub-programmes:

- Strategic Direction
- Operational Direction
- Training Capability
- Helicopter Capability
- Transport and Maritime Capability
- Air Combat Capability
- Operational Support and Intelligence Capability
- Command and Control Capability
- Base Support Capability
- Command Post
- Technical Support Services

Programme Outline

The SA Air Force continued to provide support to the Joint Force Employment Requirements, although air defence capabilities remained under pressure due to budget constraints, thereby impacting aircraft availability.

The SA Air Force planned 12 000 **flying hours** for FY2024/25, consisting of 7 000 Force Preparation hours, 4 000 Force Employment hours and 1 000 Very, Very Important Person (VVIP) hours. A total of 6 209.53 hours were flown (51.7% of the planned target) from 01 April 2024 to 31 March 2025, consisting of:

- 5 286.89 Force Preparation hours
- 247.44 Force Employment hours
- 675.20 VVIP hours

The flying system groups were hampered by the degree of aircraft availability, attributable to the unavailability of serviceable aircraft due to contract placement delays and funding for maintenance and spare parts – exacerbated by long lead times to obtain spare parts, inadequate stock levels, and obsolescence.

The SA Air Force contributed to **MTSF Priority 6: “Social Cohesion and Safer Communities”**, providing assistance to Op CORONA, for border safeguarding operations.

The SA Air Force also supported **MTSF Priority 7: “A Better Africa and a Better World”** by deploying aircraft:

- In support of the SADC Pledge (Op VIKELA) to assist in mitigating the insecurity in the Cabo Delgado region in Mozambique. SA Air Force air power assisted in promoting security with the envisaged impact of improved regional stability.
- In support of the SADC Pledge (Op THIBA) to assist SADC in mitigating the insecurity in the DRC.
- In addition to this, SA Air Force aircraft were also deployed in the DRC (Op MISTRAL) in support of this UN peace support operation.

The SA Air Force supported other Government departments, inter alia, Ops PROSPER, ARABELLA and CHARIOT by providing assistance for medical evacuations and floods, amongst others, as requested.

The SA Air Force conducted one Air Defence Unique Training Exercise during FY2024/25; Ex EAGLE EYE was held at Alldays in the Limpopo province from 28 October to 15 November 2024. The exercise was aimed at preparing the SA Air Force members for operational/combat missions, especially for external deployments.

A total of 689 learners were trained during the year under review, 57 learners more than planned.

Performance Status

The table below provides details of the Air Defence Programme performance status against output indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2024.⁴²

Air Defence Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Air Defence training targets	Target 80% (632) Actual 87.22% (689) Deviation The overachievement can be attributed to efforts to reduce the backlog accumulated over previous reporting periods. Comment Measurement of actual achievement is performed in relation to a full population of 790 learners.

⁴² Refer to Part F, Financial Information, “Appropriation Statement”, page 250 for detailed expenditure figures for the Air Defence programme.

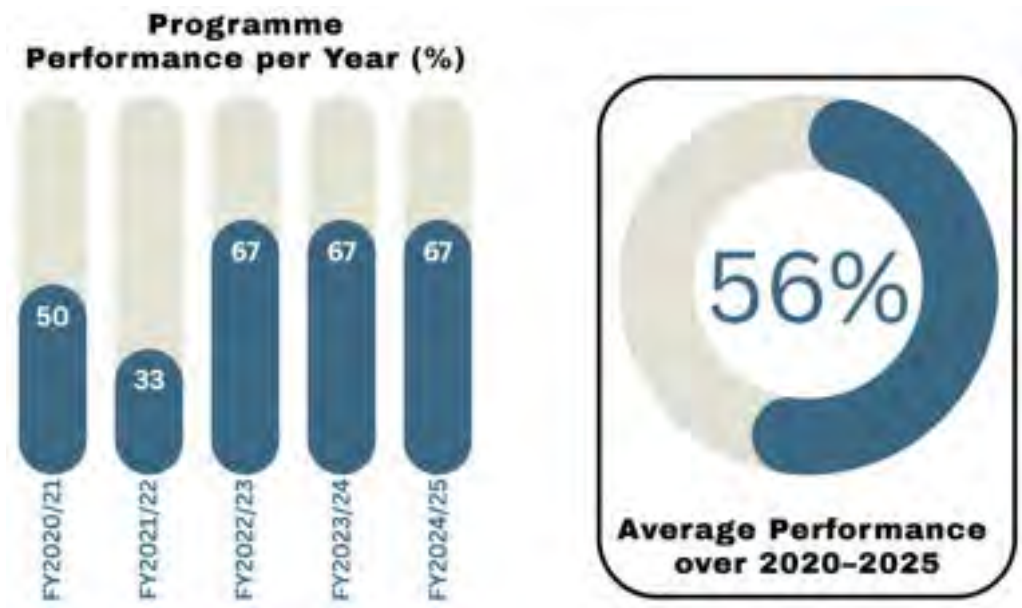
Air Defence Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
	Number of Air Defence unique force training exercises conducted	Target 1 Actual 1 Comment Ex EAGLE EYE was held at Alldays (Limpopo Province) from 28 Oct to 15 Nov 2024. The exercise was aimed at preparing SA Air Force members for operational/combat missions, especially for external deployments.
Defence combat-ready capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified ⁴³
	Percentage combat-ready capabilities available for the SANDF	Information Classified
	Number of hours flown per year	Target 12 000⁴⁴ Actual 6 209.53 Deviation The 6 209.53 hours flown represent 51.7% of the planned target. The underachievement can be attributed to the unavailability of serviceable aircraft due to contract placement delays and funding for maintenance and spare parts – exacerbated by long lead times to obtain spare parts, inadequate stock levels, and obsolescence. Comment The following hours were flown: • 5 286.89 force preparation hours • 247.44 force employment hours • 675.20 VVIP hours

⁴³ Where the report refers to “Information Classified”, it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly made available to the AGSA for audit.

⁴⁴ The following hours were planned to be flown in FY2024/25: force preparation 7 000 hours, force employment 4 000 hours and 1 000 VVIP hours.

Performance over the 2020–2025 Strategic Period⁴⁵

Over the past five financial years, the Air Defence Programme’s annual performance has shown fluctuations, resulting in an overall average performance of 56% across the strategic period. The programme’s performance has demonstrated notable improvement and stabilisation. Starting at 50% in FY2020/21, performance dropped to 33% in FY2021/22, but then increased significantly to 67% in FY2022/23 and remained consistent at that level through FY2023/24 and FY2024/25. The average performance rate across all five years stands at 56%.



The impact of the COVID-19 period during the first two years is evident, where the Air Defence Programme struggled to meet performance expectations in terms of training targets, force unique exercises and flying hours. Performance stabilised during the latter part of the strategic period, although the underperformance of flying hours remains a critical factor impacting the provision of capabilities by the SA Air Force to support DOD mandate achievement.

⁴⁵ The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Programme 5: Maritime Defence

Purpose

The purpose of the Maritime Defence Programme is to provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

Sub-Programmes

The Maritime Defence Programme comprises the following sub-programmes:

- Maritime Direction
- Maritime Human Resources and Training Capability
- Maritime Combat Capability
- Maritime Logistic Support Capability
- Base Support Capability

Programme Outline

The SA Navy continued to prepare and support maritime defence capabilities necessary for the defence and protection of South Africa by endeavouring to provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

The SA Air Navy planned for 8 000 **hours at sea** during FY2024/25; 3 717.16 hours at sea were achieved (46.5% of the planned target) from 01 April 2024 to 31 March 2025, consisting of:

- 1 691.00 Force Preparation hours
- 2 026.16 Force Employment hours

The SA Navy's focus during the reporting period was on the Maintenance and Repair of Prime Mission Equipment, which is required for both Force Preparation and Force Employment operations.

Most of the SA Navy vessels in commission were thus undergoing maintenance and repair during FY2024/25. An added constraint was the unavailability of the SA Navy vessels at the Directed Level of Capability due to a lack of repair capacity at ARMSCOR Dockyard and related procurement challenges.

Maritime Defence continues to experience challenges with sourcing critical ship spares that are required to effect repairs on the SA Navy legacy vessels. Progress is being made to ensure the availability of combat-ready ships to meet the Joint Force Employment Requirements. With additional funding received from the National Treasury during the previous reporting cycle for the refit of Strategic Defence Package platforms, the ARMSCOR Dockyard is in progress with the refit(s) of the Frigate SAS ISANDLWANA; planned completion date of the refit is March 2026. The appointment of a Commercial Refit Partner / Specialist Engineering Service for two Submarines by ARCSCOR has not materialised during the reporting period and is still to be finalised.

The first Multi-Mission Inshore Patrol Vessel (MMIPV) SAS KING SEKHUKHUNE I completed Operational Testing and Evaluation (OT&E) as part of Force Preparation and will be allocated a Directed Level of Capability in the first quarter of FY2025/26. The second MMIPV, SAS KING SHAKA ZULU is currently busy with finalising its OT&E, which will be completed during FY2025/26. The MMIPVs are home ported at Naval Base Durban as a FSE of the SA Navy's Patrol Squadron. The completion of OT&E by these ships will assist in improving the maritime patrol capability and contribute to arresting the decline of critical defence capabilities.

The SA Navy contributed to **MTSF Priority 6: "Social Cohesion and Safer Communities"** by deploying the SAS AMATOLA and elements of the Maritime Reaction Squadron to conduct four Op CORONA maritime coastal patrols in conjunction with the SAPS and DFFE during FY2024/25:

- The first patrol was conducted along the Western and Eastern Cape coastlines over the period 08 to 29 August 2024.
- The second patrol took place along the Northern KwaZulu-Natal coastline, from 10 to 30 October 2024.
- The third patrol took place along the Eastern Cape coastline over the period 09 January to 28 February 2025.
- The fourth patrol took place along the West Coast from 09 to 30 March 2025.

The SA Navy did not deploy any vessels during FY2023/24 to contribute towards the **MTSF Priority 7: "A Better Africa and a Better World"**. No Op COPPER Long-Range Patrols were conducted during FY2024/25. The underachievement can be attributed to the unavailability of the SA Navy vessels at the Directed Level of Capability due lack of repair capacity at ARMSCOR Dockyard and related procurement challenges. The Concept of Operations for Op COPPER is being reviewed, and efforts are being undertaken to improve the availability of platforms for Long-Range Patrols.

The SA Navy continued to participate in the Op PHAKISA Oceans Economy initiatives, ensuring enhanced and coordinated compliance and enforcement along the South African coast and maritime environment.

One Maritime Defence Unique Training Exercise, Ex RED LION, was conducted from 09 to 15 November 2024 in Simon's Town, Western Cape, with the aim to enhance and solidify alongside and at anchorage vessel security.

A total of 165 learners were trained during the year under review (33.2% of the planned target). The SA Navy could not successfully train and certify the planned number of learners due to operational defects at the training facility that prevented the mandatory Maritime Fire Fighting and Damage Control modules from being presented to the Basic Military Training intake.

Performance Status

The table below provides details of the Maritime Defence Programme performance status against output indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2024.⁴⁶

Maritime Defence Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Maritime Defence training targets	Target 80% (398) Actual 33.2% (165) Deviation The SA Navy could not successfully train and certify the planned number of learners. Operational defects at the training facility prevented the mandatory Maritime Fire Fighting and Damage Control modules from being presented to the Basic Military Training intake. Comment An intervention plan is being implemented to ensure that all cases of learners with outstanding modules are addressed. Measurement of actual achievement is performed in relation to a full population of 497.5 learners.
	Number of Maritime Defence unique force training exercises conducted	Target 1 Actual 1 Comment Ex RED LION was conducted over the period 09 to 15 Nov 2024 in Simon's Town (Western Cape) with the aim to enhance and solidify alongside and at anchorage vessel security.
Defence combat-ready capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified ⁴⁷
	Percentage combat-ready capabilities available for the SANDF	Information Classified

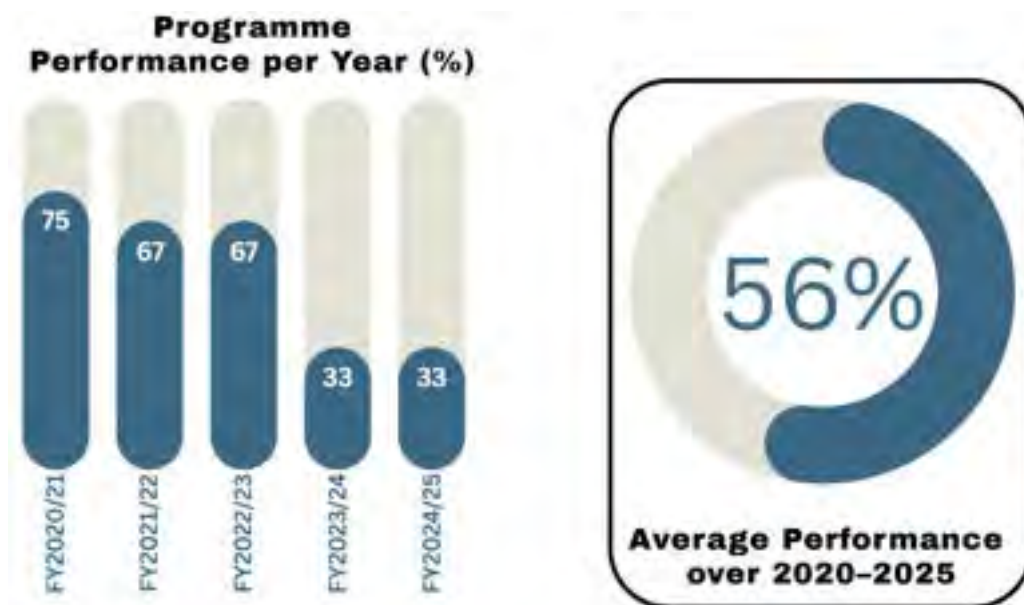
⁴⁶ Refer to Part F, Financial Information, "Appropriation Statement", page 253 for detailed expenditure figures for the Maritime Defence programme.

⁴⁷ Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly made available to the AGSA for audit.

Maritime Defence Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
	Number of hours at sea per year	Target 8 000⁴⁸ Actual 3 717.16 Deviation The 3 717.16 hours at sea represent 46.5% of the planned target. The SA Navy could not provide the required capabilities as pledged, given the unavailability of the SA Navy vessels at the Directed Level of Capability due to procurement challenges and a lack of repair capacity at the ARMSCOR Dockyard. Comment Hours at sea include: • 1 691.00 force preparation hours • 2 026.16 force employment hours

Performance over the 2020–2025 Strategic Period⁴⁹

The Maritime Defence Programme performed well during the first three years of the strategic period, while the effects of persistent underfunding became evident in the last two years of the period under review. The SA Navy was unable to provide the required level of capabilities to satisfy SADC Pledges, Op COPPER long-range patrols, hours at sea, among others, mainly due to procurement challenges and a lack of repair capacity at the ARMSCOR Dockyard.



⁴⁸ The following hours were planned to be spent at sea in FY2024/25: force preparation 2 144 hours and 5 856 hours for force employment. Force employment hours include hours during deployments for Op COPPER (long-range patrols) and the conducting of four maritime coastal patrols as part of Op CORONA (up to and inclusive of border patrols of the South African Maritime Borders).

⁴⁹ The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Programme 6: Military Health Support

Purpose

The purpose of the Military Health Support Programme is to provide prepared and supported health capabilities and services for the defence and protection of South Africa.

Sub-Programmes

The Military Health Support Programme comprises the following sub-programmes:

- Strategic Direction
- Military Health Training Capability
- Military Health Maintenance Capability
- Mobile Military Health Support
- Area Military Health Service
- Specialist / Tertiary Health Service
- Military Health Product Support Capability

Programme Outline

During the reporting period, the SA Military Health Service (SAMHS) remained committed to developing and implementing a sustainable, coordinated, and integrated healthcare system across its operational and base-oriented services. The primary objective was to enhance access to healthcare, deliver high-quality clinical services and improve overall health and clinical outcomes.

In order to ensure continuous support for military healthcare operations and to address both current and future service delivery requirements, efforts were undertaken to re-capacitate the SAMHS during FY2024/25, with the following notable achievements:

- 46 Members were studying toward the Higher Certificate in Emergency Medical Care and the Diploma in Emergency Medical Care. A total of 33 members graduated by the end of the reporting period, with 29 graduating with the Higher Certificate in Emergency Medical Care and four with a Diploma in Emergency Medical Care.
- 65 Students enrolled for first to sixth year medicine training. The majority of the students were in their fifth and sixth years, with 26 students in each group. This enrolment trend presents a strategic opportunity for the SAMHS to reinforce its medical workforce.
- 96 Students registered for a Diploma in Nursing, with 41 being in the first year. In the second and third years, there were 28 and 27 students, respectively. A further 21 students enrolled in the Higher Certificate in Nursing. This enrollment trend strengthens the SAMHS's ability to sustain and enhance its nursing workforce.

- The SAMHS attended the graduation ceremony of five of its medical students in Havana, Cuba, held from 13 to 17 November 2024. The event was attended by the Surgeon General, whose presence strengthened the longstanding partnership between the RSA and the Republic of Cuba. The graduation of these medical professionals has significant implications, particularly in addressing staffing challenges and enhancing service delivery. By integrating newly qualified doctors into the military health system, the SAMHS can improve clinical excellence and expand healthcare access. This achievement further underscores the value of international medical training programmes.

The SAMHS partnered with the Chinese People's Liberation Army Navy to conduct a Humanitarian Relief Medical Outreach Project from 22 to 29 August 2024. As part of this collaboration, the Chinese Hospital Ship Peace Ark 866 visited South Africa, providing critical humanitarian medical services to patients and local communities in the Western Cape. The vessel had a daily capacity of 600 outpatients, ultimately treating 3 356 individuals. Additionally, 2 Military Hospital attended to 25 117 patients, addressing cases ranging from Orthopaedics, Computed Tomography scans to Gynaecology and Surgical ward rounds. This initiative underscores the strategic importance of international military health partnerships in strengthening South Africa's healthcare capabilities, especially within the SAMHS.

A total of 564 learners were trained during the year under review (69.6% of the planned target). The underachievement can be attributed to the fact that a number of courses were still ongoing at the end of FY2024/25, and the results will be reflected during FY2025/26.

Performance Status

The table below provides details of the Military Health Support Programme performance status against output indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2024.⁵⁰

Military Health Support Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Military Health Service training targets	Target 80% (648) Actual 69.6% (564) Deviation A number of courses were still ongoing at the end of FY2024/25, and the results will be reflected during FY2025/26. Comment Measurement of actual achievement is performed in relation to a full population of 810 learners.
Defence combat-ready capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> ⁵¹

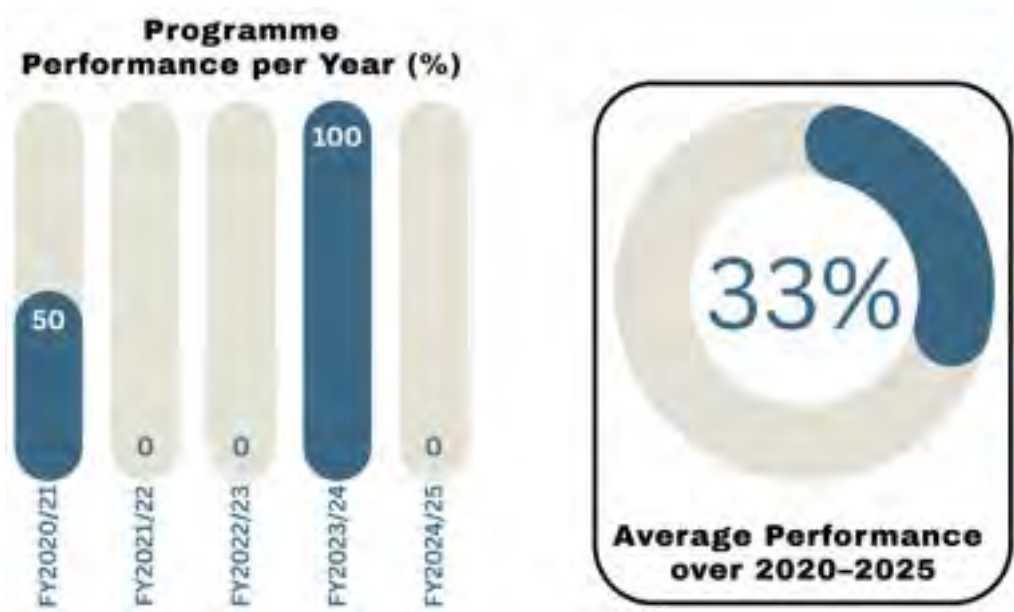
⁵⁰ Refer to Part F, Financial Information, "Appropriation Statement", page 256 for detailed expenditure figures for the Military Health Support programme.

⁵¹ Where the report refers to "*Information Classified*", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly made available to the AGSA for audit.

Military Health Support Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
	Percentage combat-ready capabilities available for the SANDF	Information Classified
Defence capabilities supported	Percentage compliance with availability of medical stock	Information Classified

Performance over the 2020–2025 Strategic Period⁵²

The Military Health Support Programme have shown inconsistent performance across the strategic period, mainly due to the SAMHS struggling to recover from vast deployments in support of other Government Departments (SAPS and Department of Health) during the COVID-19 period, especially in the area of training targets. Interventions to reduce these backlogs resulted in a recovery in performance in FY2023/24, and partially affected performance in FY2024/25.



⁵² The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Programme 7: Defence Intelligence

Purpose

The purpose of the Defence Intelligence Programme is to provide defence intelligence, counter-intelligence capabilities and Defence diplomacy administrative support to the DOD.

Sub-Programmes

The Defence Intelligence Programme comprises the following sub-programmes:

- Strategic Direction
- Operations
- Defence Intelligence Support Services

Programme Outline

During the period under review, Defence Intelligence conducted intelligence, counter-intelligence and collecting activities, to provide decision-makers with intelligence and counter-intelligence capabilities.

Defence Intelligence responded to intelligence requirements received from clients and strategic partners and disseminated these intelligence products to decision-makers to provide timely intelligence. Reports were provided on emerging threats on the continent and beyond, specifically related to conflict areas.

Defence Intelligence participated in bilateral and multilateral engagements at regional, continental and international levels (i.e. SADC, AU and UN).

During the reporting period, 3 093 vetting decisions were taken out of the planned target of 6 000. Vetting decisions are based on security clearances issued as well as security clearances terminated and/or withdrawn. The underachievement can be attributed to the implementation of payment for fingerprint processing by the SAPS.

During FY2024/25, aligned with the RSA Foreign Policy and DOD Defence Diplomacy objectives, 44 Defence Attaché offices were operational, comprising 10 offices in the SADC Region, 14 offices in the Rest of Africa and the Middle East, 18 offices in the Rest of the World and two Multi-Lateral Organisations (AU and UN).

Performance Status

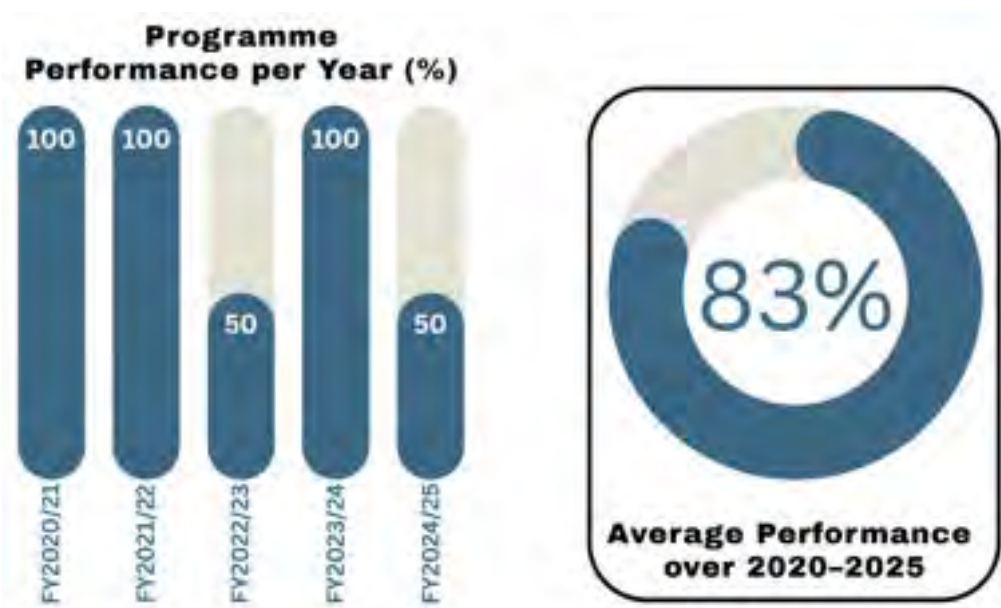
The table below provides details of the Defence Intelligence Programme performance status against output indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2024.⁵³

Defence Intelligence Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities supported	Number of vetting decisions taken in accordance with requirements	Target 6 000 Actual 3 093 Deviation The implementation of payment for fingerprint processing by the SAPS contributed to the underperformance. Comment Funding is to be secured towards payment to the SAPS upon request for fingerprint verification.
	Total number of Defence Attaché Offices	Target 44 Actual 44 Comment <u>SADC – 10 offices</u> Angola, Botswana, Democratic Republic of Congo (Congo – Brazzaville), Kingdom of Eswatini, Lesotho, Mozambique, Namibia, Tanzania (Mauritius), Zambia (Malawi) and Zimbabwe. <u>Rest of Africa – 14 offices</u> Algeria (Tunisia), Burundi, Côte d'Ivoire, Egypt (Jordan), Ethiopia, Ghana, Kenya (Rwanda), Nigeria, Saudi Arabia (Bahrain and Oman), Senegal (Guinea), South Sudan, Sudan, United Arab Emirates (Qatar and Kuwait), Uganda. <u>Rest of the World – 18 offices</u> Argentina (Chile and Uruguay), Belgium (European Union and The Netherlands), Brazil, Cuba, France, Germany, India, Italy (Romania), Malaysia (Brunei and Darussalam), Pakistan, People's Republic of China, Russian Federation, Spain (Morocco), Sweden, Turkey, United Kingdom, United States of America (Canada), Vietnam (Philippines). <u>Multi-Lateral Organisations – 2 offices</u> United Nations, African Union.

⁵³ Refer to Part F, Financial Information, "Appropriation Statement", pages 259 for detailed expenditure figures for the Defence Intelligence programme.

Performance over the 2020–2025 Strategic Period⁵⁴

Performance for the Defence Intelligence Programme was generally good, albeit somewhat inconsistent. Performance over the strategic period was measured against two performance indicators, of which the achievement against the number of Defence Attaché Offices remained at 100% over the full reporting period. The fluctuation in achievement is relative to vetting decisions taken, which were influenced by the implementation of payment for fingerprint processing by the SAPS.



⁵⁴ The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Programme 8: General Support

Purpose

The purpose of the General Support Programme is to provide general support capabilities and services to the Department.

Sub-Programmes

The General Support Programme comprises the following sub-programmes:

- Joint Logistic Services
- Command and Management Information Systems
- Military Policing Capability

Programme Outline

Logistic Services

During the year under review, the Logistics Division continued to manage the payment of accommodation charges, leases and municipal services, thereby providing appropriate and sustained facilities for the Department.

In collaboration with the DPWI, the Logistics Division also managed the DOD infrastructure portfolio, comprising the rehabilitation, refurbishment and maintenance of infrastructure⁵⁵. The DOD, assisted by the DPWI, executed day-to-day maintenance, planned maintenance and capital and refurbishment projects in order to ensure that DOD facilities were kept at an acceptable standard and that certain priority maintenance backlogs were addressed.

The DOD utilised a large number of state facilities and, to a lesser extent, private facilities in fulfilment of its Constitutional obligations. The utilisation of facilities included force preparations, force employment and force support that required land and other unique facilities.

During FY2024/25, the DOD completed 220 out of 424 procurement requests received within 90 days from registration. A number of factors contributed to the underachievement, amongst others, the prolonged turnaround times caused by the implementation of enhanced internal control measures in response to previous years' adverse audit findings through the Departmental Commercial Procurement Board and compliance committees; the overwhelming responses received from prospective bidders, amid staff shortages; and *e-Procurement* system challenges.

The Department ensured that all invoices (100.2%) relative to the payment of leases, accommodation charges and municipal services occupied/utilised by the DOD were paid at the end of the reporting period, to the amount of R3,149 billion.

⁵⁵ Refer to Appendix A, on pages 92 to 95, for detailed performance information on 'Capital Investment, Maintenance and Asset Management'.

Command and Management Information Systems

During the year under review, the Command and Management Information Systems (CMIS) provided command and management information systems and related services to the DOD by providing:

- Strategic Direction;
- Integrated (modernised) DOD Information Communication Technology (ICT) Solutions.
- Information warfare strategic direction capability (ICT Security); and
- Maintenance and support of information systems.

During FY2024/25, the CMIS Division achieved a 90.5% compliance with the DOD ICT Implementation Plan, mainly due to system availability that was higher than expected.

Military Policing Capability

During the year under review, the Military Police Division investigated 1 093 criminal cases from a backlog of 3 155 criminal cases. The Division investigated 243 criminal cases from a total of 944 new criminal cases reported during FY2024/25 and executed 168 deliberate crime prevention operations.

The over-achievement against the set target of deliberate crime prevention operations conducted can be attributed to the involvement of Military Police officials in Op ROBUST (crime prevention operations to suppress the escalating crime in military areas).

Op ROBUST was conducted to suppress the escalating crime in military areas in cooperation with other state departments such as SAPS and the Tshwane Metro Police Department. Over 46 undocumented persons from different countries such as Zimbabwe, Mozambique, Burundi, Malawi, Nigeria, Tanzania, Congo and Lesotho were apprehended and handed over to the Military Police. Over 26 expired vehicle discs and 108 other offences were recorded, amounting to fines to the value of R35 080.

The underachievement relevant to criminal cases investigated can be attributed to:

- A lack of resources;
- An increased requirement for Military Police officials in both internal and external operations;
- Increased Military Police support to Op ROBUST crime prevention operations to suppress the escalating crime in military areas in Thaba Tshwane, Tempe and Simon's Town; and
- The execution of a high volume of policing tasks (planned and ad hoc) within the RSA.

Performance Status

The table below provides details of the General Support Programme performance status against output indicators and an analysis of target achievement in terms of the DOD Annual Performance Plan for 2024.⁵⁶

General Support Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities supported	Percentage procurement requests fully completed within 90 days from day of registration ⁵⁷	Target 95% Actual 56.6% Deviation A total of 220 out of 389 procurement requests were processed within 90 days from registration. Comment A number of factors contributed to the underachievement: • Prolonged turnaround times caused by the implementation of enhanced internal control measures in response to previous years' adverse audit findings through the Departmental Commercial Procurement Board and compliance committees; • Overwhelming responses received from prospective bidders amid staff shortages; • <i>e-Procurement</i> system challenges.
	Percentage of expenditure in accordance with Facilities Plan (Payment of leases, accommodation charges and municipal services)	Target 100% Actual 100.2% Comment An amount of Rb3,149 was paid against the adjusted appropriation: • Payment of Leases: Rm811,797 • Accommodation Charges: Rm786,108 • Municipal Services: Rb1,551
	Percentage compliance to the DOD Information and Communication Technology Implementation Plan	Target 90% Actual 90.5% Comment System availability was higher than anticipated.

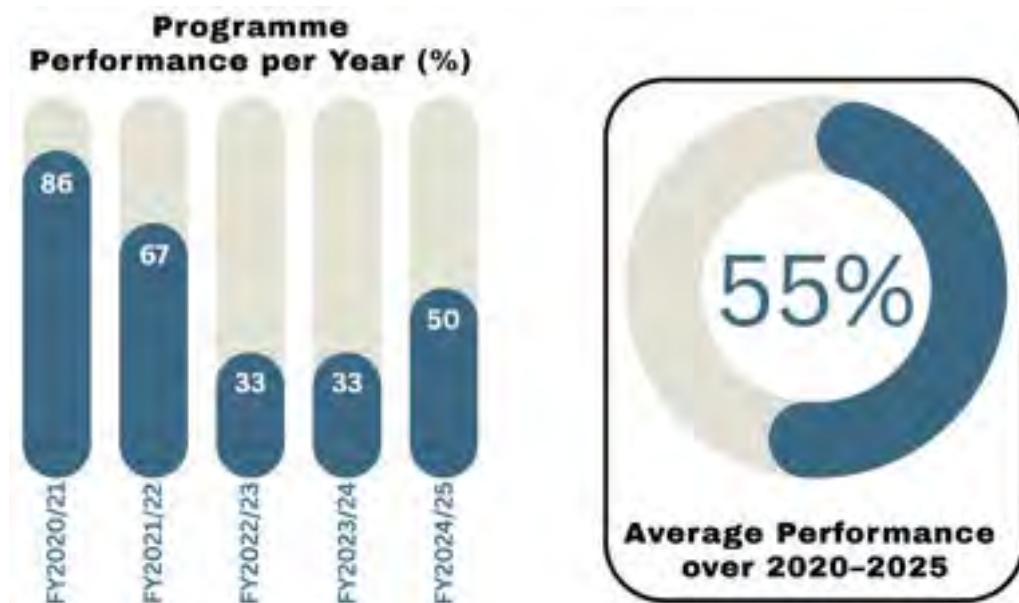
⁵⁶ Refer to Part F, Financial Information, "Appropriation Statement", page 261 for detailed expenditure figures for the General Support programme.

⁵⁷ This Performance Indicator measures procurement requirements below the amount of R500 000.

General Support Programme Performance Status for FY2024/25		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities supported	Number of deliberate crime prevention operations conducted	Target 124 Actual 168 Comment The over-achievement can be attributed to the involvement of the Military Police officials in Op ROBUST crime prevention operations to suppress the escalating crime in military areas in cooperation with the SAPS and TMPD.
	Percentage investigations finalised (backlog)	Target 50% Actual 34.6% Deviation The Department investigated 1 093 criminal cases from the backlog of 3 155 criminal cases. Comment Lack of resources and staff shortages, along with the increased requirement for Military Police officials in both internal and external operations, contributed towards the underachievement. The training of new investigators is being expedited.
	Percentage investigations finalised (in year)	Target 30% Actual 25.7% Deviation 243 out of 944 new cases received during FY2024/25 were investigated. Comment Lack of resources and staff shortages, along with the increased requirement for Military Police officials in both internal and external operations, contributed towards the underachievement. The training of new investigators is being expedited.

Performance over the 2020–2025 Strategic Period⁵⁸

The General Support Programme started the strategic period strong at 86%, with performance decreasing year-on-year from FY2020/21, where it stabilised at an average performance rate of 55% over the reporting period.

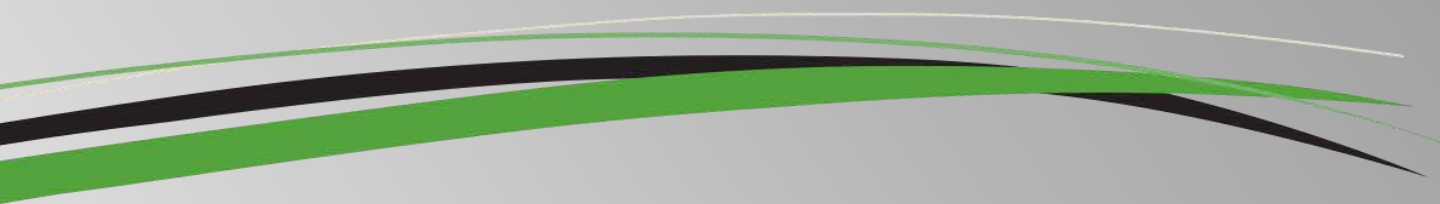


Performance for the General Support Programme decreased drastically during the last part of the strategic period, mainly due to resource challenges at the Military Policing Capability and system challenges within procurement environments.

⁵⁸ The percentage average performance over the strategic period relates to the cumulative number of targets achieved per year (Refer to Appendix C on pages 105 to 110).

Appendix A

Capital Investments, Maintenance and Asset Management Plan



Capital Investments, Maintenance and Asset Management Plan

Infrastructure Projects Completed during FY2024/25

Nine capital infrastructure/works projects completed by DPWI during FY2024/25 were awaiting to be signed over, pending the processing of final accounts at the time of reporting. Three other infrastructure projects were completed by other implementing agents during the reporting period.

Capital Infrastructure Projects in Progress

Eighteen Capital Infrastructure Projects were approved for funding in FY2024/25 and were at various stages of completion at the end of the reporting period.

Progress Made on the Maintenance of Infrastructure

Ten refurbishment projects were approved for funding during FY2024/25 and were in various stages of completion at the time of reporting.

Categorisation of Projects

Fourteen out of the 28 funded projects included in the DOD APP for 2024, and described above, are shaded in light green per the tables below; the remaining 14 projects, not included in the DOD APP for 2024, are shaded in grey.

Projects that were still under consideration concerning the status and planned completion dates are not displayed, given that projects need to be prioritised against the allocated funding. The Defence Works Formation are to conduct technical assessments, scope the work and allocate funding.

Capital Works Projects

The table below includes Capital Work Projects (New and Replacement Assets, Maintenance and Repairs and Upgrades and Additions) in progress during FY2024/25.

New and Replacement Assets: FY2024/25	
Project Description	FY to be Completed
Eastern Cape	
Construction of Base Hospital and medical staff housing (Port Elizabeth)	Final completion due 17 July 2025
Gauteng	
Installation of solar power at 43 SA Brigade Headquarters (Wallmansthal)	Expected to be completed in 2025/26
Replacement of the Heating, Ventilation, and Air Conditioning at the Loftus building, Air Force Command Post and Bushveld Airspace Control Sector	May 2026
Construction of a new Fire Station (Thaba Tshwane)	Expected to be completed in 2025/26
Western Cape	
Construction of a security fence and guard house at Wynberg Military Base (Cape Town)	Expected to be completed in 2024/25
Construction of new sick bay at Saldanha Military Base	Attending to snag list

New and Replacement Assets: FY2024/25	
Project Description	FY to be Completed
Erection of security fence at 4 Special Forces Regiment Headquarters (Langebaan)	Expected to be completed in 2024/25
Replacement of perimeter fence with palisade fence at SAS Wingfield (Cape Town)	Project is failing to meet expected end results due to encroachment
Erection of security fence at Ammunition Stores Donkergat at 4 Special Forces Regiment (Langebaan)	Expected to be completed in 2024/25
Construction of 4 Special Forces Regiment Pool Canopy (Langebaan)	Expected to be completed in 2025/26

Maintenance and Repairs: FY2024/25	
KwaZulu-Natal	
Project Description	FY to be Completed
Refurbishment of main kitchen at SAS Salisbury Island (Durban)	Expected to be completed in 2024/25

Upgrades and Additions: FY2024/25	
Project Description	FY to be Completed
Eastern Cape	
Upgrade of Finance Accounting Service Centre at 14 SA Infantry Battalion (Umtata)	Expected to be completed in 2025/26
Upgrading of water reticulation system at Maluti Base (Mthatha)	Expected to be completed in 2025/26
Free State	
Upgrading of Buildings 1175, 1176, 1178, 1179, 1181, 1182, 1184, 1185 at DOD Mobilisation Centre at de Brug (Bloemfontein)	Expected to be completed in 2026/27
Gauteng	
Upgrade of infrastructure at SA Defence Intelligence College (Pretoria)	Expected to be completed in 2026/27
Upgrading of kitchen equipment at SA Army Engineer Formation Combined Mess, Tek Base (Centurion)	Expected to be completed in 2026/27
Upgrading of kitchen equipment at Joint Support Base Garrison, Gerbera Officers Mess (Thaba Tshwane)	Expected to be completed in 2024/25
Upgrading of kitchen equipment at Joint Support Base Garrison, Kiepersol Officers Mess (Pretoria)	Expected to be completed in 2026/27
Upgrade of main gate at Spec Forces Headquarters, Swartkop Park (Thaba Tshwane)	Expected to be completed in 2025/26
Upgrading of kitchen equipment at SA Army College (Thaba Tshwane)	Expected to be completed in 2026/27
Limpopo	
Upgrading of kitchen equipment at 15 SA Infantry Battalion (Tlohoenyandou)	Expected to be completed in 2025/26
Upgrading of kitchen equipment at 524 Signal Squadron (Phalaborwa)	Expected to be completed in 2025/26
Upgrading of kitchen equipment at 5 Special Forces Regiment (Phalaborwa)	Expected to be completed in 2025/26
Mpumalanga	
Upgrades of the Sewer Plant in all SA Army Units	Expected to be completed in 2025/26
Northern Cape	
Construction of a security fence around 93 Ammunition Depot (Jan Kempdorp)	Expected to be completed in 2026/27
Upgrade of Finance Accounting Service Centre at SA Army Combat Training Centre (Lohatla)	Expected to be completed in 2024/25
North West	
Upgrading of the sewer plant at 10 SA Infantry Battalion (Mahikeng)	Expected to be completed in 2025/26
Western Cape	
Upgrading of mess facilities at 4 Special Forces Regiment (Langebaan)	Expected to be completed in 2024/25
Upgrading of kitchen equipment at Army Support Base Western Cape, Officer's Mess Wynberg (Cape Town)	Expected to be completed in 2025/26
Upgrading of kitchen equipment at the SA Army Infantry School (Oudtshoorn)	Expected to be completed in 2025/26

Upgrades and Additions: FY2024/25	
Project Description	FY to be Completed
Upgrading of kitchen equipment at 9 SA Infantry Battalion	Project Closed Expected to be completed in 2024/25

Rehabilitation, Renovations and Refurbishments Projects

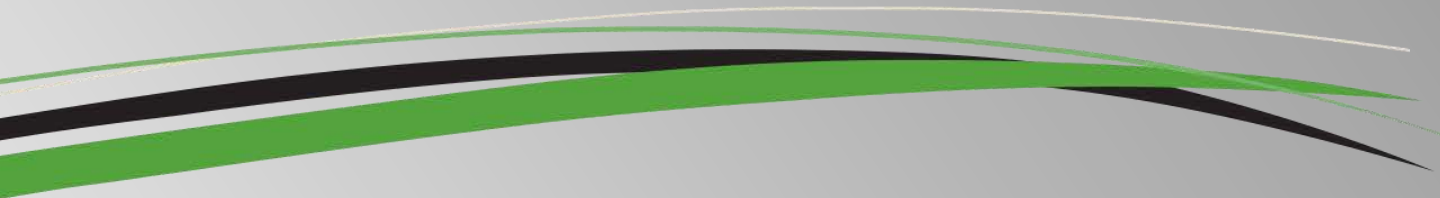
Rehabilitation, Renovations and Refurbishment Programme Projects undertaken during FY2024/25 are listed in the table below.

Rehabilitation, Renovations and Refurbishment Programme Projects Undertaken during FY2024/25	
Project Description	FY to be Completed
Eastern Cape	
Replacement of kitchen equipment at 14 SA Infantry Battalion (Mthatha)	Expected to be completed in 2025/26
Free State	
Refurbishment of 1 SA Infantry Battalion at Tempe (Bloemfontein)	Expected to be completed in 2025/26
Refurbishment of School of Engineers (Kroonstad)	Expected to be completed in 2025/26
Refurbishment of 1 Special Service Battalion Tempe (Bloemfontein)	Expected to be completed in 2025/26
Gauteng	
Refurbishment of Joint Support Base Garrison Finance Office (Thaba Tshwane)	Expected to be completed in 2025/26
Refurbishment of Rooiwal Communication Facility at 1 Signal Regiment	Expected to be completed in 2025/26
Refurbishment of B Mess (Thaba Tshwane)	Expected to be completed in 2025/26
Upgrade of power supply at School of Signals (Wonderboom)	Expected to be completed in 2025/26
Waterproofing and sealing of roof at 1 Military Hospital (Thaba Tshwane)	Attending to snag list
Refurbishment of Rooiwal Communication Facility at 1 Signal Regiment	Expected to be completed in 2025/26
Refurbishment of B Mess (Thaba Tshwane)	Expected to be completed in 2025/26
Refurbishment of Bester Building at SA Army Headquarters Dequar Road (Pretoria)	Expected to be completed in 2026/27
Renovation of the Sandhurst Building	Expected to be completed in 2025/26
Renovation of Chief of the Air Force house	Completed in 2024/25
Refurbishment of the Koepel Conference Room at SA Defence Intelligence College (Pretoria)	Expected to be completed in 2025/26
Refurbishment of Thaba Tshwane City Hall, Drill Hall, Warrant Officers Mess	Expected to be completed in 2025/26
Limpopo	
Repairs to damages caused by fire at Food Factory (Hoedspruit)	Final delivery – project to be closed
Mpumalanga	
Refurbishment of 4 SA Infantry Battalion (Middelburg)	Expected to be completed in 2026/27
Northern Cape	
Refurbishment of 8 SA Infantry Battalion (Upington)	Expected to be completed in 2025/26
North West	
Upgrading of the sewer plant at 10 SA Infantry Battalion (Mahikeng)	Expected to be completed in 2025/26
Western Cape	
Refurbishment of 2 Military Hospital in Wynberg (Cape Town)	Attending to snag list and account disputes
Refurbishment Pharmacy (Building 70) Institute for Maritime Medicine at Naval Base Simon's Town	Attending to snag list and account disputes
Refurbishment of Air Force Base Overberg (Bredasdorp)	Attending to snag list
Refurbishment and upgrade of Air Force Base Overberg Sick Bay complex (Bredasdorp)	Attending to snag list

Rehabilitation, Renovations and Refurbishment Programme Projects Undertaken during FY2024/25	
Project Description	FY to be Completed
Renovation of the sickbay at Naval College in Gordons Bay	Expected to be completed in 2025/26
Renovation and Upgrade of the Hugo Bierman Building in Simon's Town	Expected to be completed in 2025/26
Refurbishment of two houses	Expected to be completed in 2025/26

Appendix B

DOD Selected Performance Indicators for FY2024/25, Targets and Actual Achievements



DOD Selected Performance Indicators, Targets and Actual Achievements over the 2020–2025 Strategic Period

Achievement against targets set for DOD Selected Performance Indicators, included in the Estimates of National Expenditure, are reflected over the 2020–2025 Strategic Period, from 01 April 2020 to 31 March 2025.

DOD Selected Performance Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025						
Performance Indicator	Budget Programme	Audited Achievement ¹				
		FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Number of Reserve Force mandays per year ²	Administration (HR Services)	Target 2 695 963 ³	Target 2 601 591	Target 1 985 307	Target 1 989 953	Target 1 997 872
		Actual 3 355 353	Actual 3 237 118	Actual 2 818 497	Actual 3 257 162	Actual 3 664 429
Number of planned joint, interdepartmental, interagency and multinational military exercises conducted per year ⁴	Force Employment	Target 0 ⁵	Target 2	Target 4	Target 1	Target 2
		Actual 0	Actual 1	Actual 4	Actual 1	Actual 1
Number of landward sub-units deployed on border safeguarding per year ⁶		Target 15	Target 15	Target 15	Target 15	Target 15
		Actual 15	Actual 15	Actual 15	Actual 15	Actual 15
Percentage compliance with number of external operations per year ⁷		Target 100%	Target 100%	Target 100%	Target 100%	Target 100%
		Actual 100%	Actual 100%	Actual 67%	Actual 75%	Actual 75%

¹ Reason(s) for deviation from target are furnished in Part B under Performance Information per Programme.

² Through this Performance Indicator the Department provides strategic direction to Services and Divisions on the number of Reserve Forces, which can be utilised per year, as resourced.

³ The FY2020/21 annual target was published as 3 098 866 in the AENE.

⁴ The JIIM military exercise schedule is dependent on higher-order decisions and the participation of foreign countries. Multinational force preparation constitutes a critical component of the SANDF's ability to employ combat and mission-ready forces, therefore provision is made to support Defence cooperation agreements and implementation arrangements that will promote defence diplomacy initiatives.

⁵ Due to the COVID-19 pandemic the number of JIIM Exercises with foreign countries was reduced from five to zero in the Adjusted DOD APP for 2020 to prioritise the institutional response to COVID-19.

⁶ The National Security Strategy requires the deployment of 22 sub-units for border safeguarding. The Military Appreciation on Border Safeguarding determines from the Department the deployment of 22 sub-units to secure and safeguard the borders of the RSA. However, owing to the limited provision of combat-ready capabilities by Services and Divisions due to defence budget allocation reductions over the previous MTEF periods, the DOD will remain with the current deployment of 15 sub-units on border safeguarding.

⁷ The deployment of the SANDF by the President, as Commander-in-Chief, is in relation to the compliance with number of ordered commitments (external and internal operations). The MOD&MV has thus resolved to comply with all (100%) ordered commitments (external and internal operations). The actual numbers cannot be pre-determined and can only be reported on after the finalisation of the audit process.

DOD Selected Performance Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025						
Performance Indicator	Budget Programme	Audited Achievement ¹				
		FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Percentage compliance with the Southern African Development Community Standby Force Pledge per year	Force Employment	Target 100%	Target 100%	Target 100%	Target 100%	Target 100%
		Actual 87.50%	Actual 100%	Actual 88%	Actual 79%	Actual 85%
Percentage compliance with number of internal operations per year ⁸		Target 100%	Target 100%	Target 100%	Target 100%	Target 100%
		Actual 100%	Actual 100%	Actual 100%	Actual 100%	Actual 100%
Number of Maritime coastal patrols conducted per year		Target 4	Target 4	Target 4	Target 4	Target 4
		Actual 3	Actual 4	Actual 2	Actual 3	Actual 4
Number of hours flown per year	Air Defence	Target 17 100 ⁹	Target 17 100 ¹⁰	Target 12 000 ¹¹	Target 12 000 ¹²	Target 12 000 ¹³
		Actual 13 726.40	Actual 15 215.60	Actual 12 059.20	Actual 6 904.06	Actual 6 209.53
Number of hours at sea per year	Maritime Defence	Target 10 000 ¹⁴	Target 8 000 ¹⁵	Target 8 000 ¹⁶	Target 8 000 ¹⁷	Target 8 000 ¹⁸
		Actual 6 818.43	Actual 7 614.43	Actual 2 770.32	Actual 2 641.47	Actual 3 717.16

⁸ Internal operations include border safeguarding and operations in support of other government departments (safety and security support, disaster aid and disaster relief, and search and rescue).

⁹ During the FY2020/21 the following hours were planned to be flown: 4 000 hours for Force Employment, approximately 12 100 hours for Force Preparation and 1 000 VVIP hours.

¹⁰ During the FY2021/22 the following hours were planned to be flown: force preparation 12 100 hours, force employment 4 000 hours and 1 000 VVIP hours.

¹¹ During the FY2022/23, the following hours were planned to be flown: force preparation 7 000 hours, force employment 4 000 hours and 1 000 VVIP hours.

¹² The following hours were planned to be flown in FY2023/24: force preparation 7 000 hours, force employment 4 000 hours and 1 000 VVIP hours.

¹³ The following hours were planned to be flown in FY2024/25: force preparation 7 000 hours, force employment 4 000 hours and 1 000 VVIP hours.

¹⁴ During the FY2020/21 the Department planned to spend the following at sea: force preparation 2 200 hours and 7 800 hours force employment. Force employment hours include the hours at sea during deployments for Op COPPER (long range patrols) and the conducting of maritime coastal patrols as part of Op CORONA.

¹⁵ During the FY2021/22 the following hours were planned to be spent at sea: force preparation 2 144 hours and 5 856 hours for force employment. The force employment hours include the hours during deployments for Op COPPER (long range patrols) and the conducting of four maritime coastal patrols as part of Op CORONA (up to and inclusive of border patrols of the South African Maritime Borders).

¹⁶ During the FY2022/23, the following planned hours were planned to be spent at sea: force preparation 2 144 hours and 5 856 hours for force employment. Force employment hours include hours during deployments for Op COPPER (long-range patrols) and the conducting of four maritime coastal patrols as part of Op CORONA (up to and inclusive of border patrols of the South African Maritime Borders).

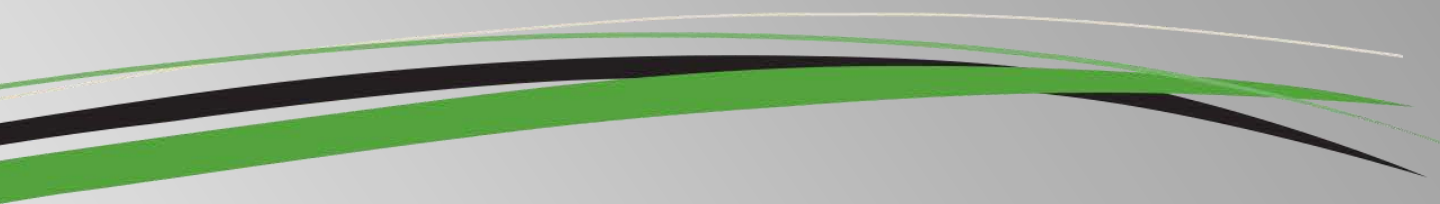
¹⁷ The following hours were planned to be spent at sea in FY2023/24: force preparation 2 144 hours and 5 856 hours for force employment.

¹⁸ The following hours were planned to be spent at sea in FY2024/25: force preparation 2 144 hours and 5 856 hours for force employment. Force employment hours include hours during deployments for Op COPPER (long-range patrols) and the conducting of four maritime coastal patrols as part of Op CORONA (up to and inclusive of border patrols of the South African Maritime Borders).



Appendix C

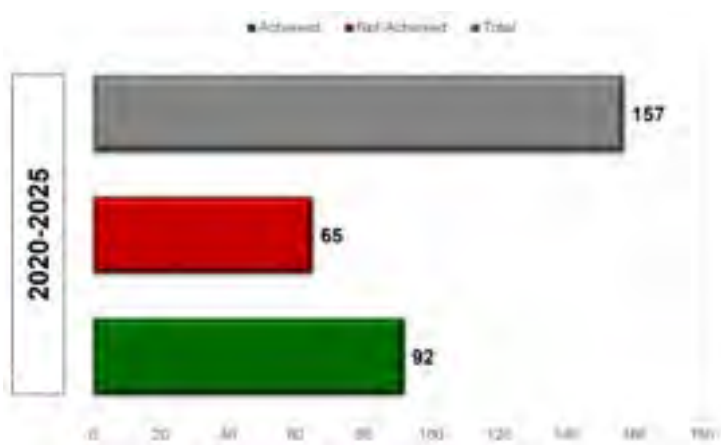
DOD Output Indicators, Targets and Actual Achievements over the 2020 to 2025 Strategic Period



DOD Output Indicators, Targets and Actual Achievements over the 2020–2025 Strategic Period

Synopsis of Significant Achievements of National Interest over the 2020–2025 Strategic Period

During the 2020–2025 Strategic Period, the Department's performance was measured against the achievement of 157 targets, spread over this five-year period, of which 92 (59%) were fully achieved and 65 targets were partially achieved, as graphically represented below.



A synopsis of significant achievements of national interest for the first four years of the Strategic Period (FY2020/21 to FY2023/24) is herewith provided. Details on significant achievements relative to FY2024/25, the final year of the strategic period, are provided in Part B: Performance Information of this Report.

FY2020/21

During FY2020/21, the SANDF conducted the largest deployment in its history, in an endeavour to respond to the Coronavirus pandemic. The President directed the SANDF to deploy, in cooperation with the SAPS, and in support of other Government departments, to ensure that the measures as announced were implemented throughout the country. The SANDF deployed under **Op NOTLELA**¹ in various parts of the country from midnight on Thursday, 26 March 2020, as ordered.

The SANDF maintained law and order by ensuring that citizens adhered to social distancing and the wearing of masks. The lives of communities were improved by building bridges in remote areas, rehabilitating rivers, and providing clean drinking water. Medical professionals were deployed to hotspots where field hospitals and quarantine sites were set up in areas that were collapsing under the strain of the pandemic.

¹ Op NOTLELA (the SANDF's commitment to the Coronavirus pandemic in SA) was executed as a sequel to Op CHARIOT over the period 27 Mar 2020 to 30 Sep 2020.

Capabilities deployed included lockdown enforcement elements, health care practitioners, engineers, air and maritime capabilities, with multiple tasks of assisting frontline departments such as the SAPS,² National Department of Health, International Relations and Cooperation, Corporate Governance, Public Works and Infrastructure, Home Affairs, Education and Water and Sanitation, amongst others, including deployment in provinces and districts.

Throughout all of this, the SANDF continued to fulfil its Constitutional mandate to defend the land, sea and air sovereignty of South Africa, aiding law enforcement agencies in their fight against cross-border crime, as well as fulfilling the country's global responsibilities to peacekeeping in the largest UN mission in the world, by leading the UN Force Intervention Brigade and providing combat and support elements.

FY2021/22

The DOD continued to support Government departments in response to the Coronavirus pandemic. Through the SA Military Health Services, various support elements (amongst others) were established to mitigate the impact of COVID-19 within the DOD and in the Gauteng province at large:

- COVID-19 testing.
- Teams supporting the Department of Health with mass screening.
- Disinfecting office accommodation.
- Psycho-social support.
- Contact tracing.
- Evaluation of quarantine facilities by Environmental Health that were earmarked for utilisation by DOD members and their dependents.
- Provided Port health and water monitoring services.

The SANDF rendered **humanitarian assistance support** to the people of South Africa by providing:

- Helicopters to conduct a medical evacuation in the Worcester area, Western Cape.
- Fixed-wing air transport to support the National Department of Health in the distribution of vaccines throughout South Africa to combat the spread of COVID-19.
- Deployed Military Health Practitioners to provide tertiary medical care in the Gauteng Province.
- Provided assistance to the Maritime Rescue Coordination Centre in the medical evacuation of a sailor from a ship off the coast of Durban.

Safety and security support was rendered to other Government departments in order to:³

- Preserve life, health or property; in emergency or humanitarian operations and in cooperation with the SAPS; in the prevention of crime, and maintenance and preservation of law and order.
- Support the SAPS in KwaZulu-Natal to quell potential unrest.

² Op LIGCOLO (Support to the SAPS with the enforcement of lockdown regulations) was executed as a sequel to Op PROSPER over the period 29 Dec 2020 to 31 Jan 2021.

³ Op VIMBA (support to the Department of Health in the provision of tertiary medical care) was executed as a sequel to Op PROSPER during 23 Jun to 30 Sep 2021.

- Support the successful conduct of the Local Government Elections 2021 in all provinces.
- Support was rendered to the SAPS during the State of the Nation Address 2022 in the Western Cape.

FY2022/23

Support was rendered to other Government departments in order to preserve life, health or property by means of executing disaster aid relief and humanitarian operations by deploying personnel and equipment to flood-affected areas in the KwaZulu-Natal, North West and Eastern Cape provinces.

Support to the Department of Health was rendered by deploying medical personnel to the Tshepong Hospital in Klerksdorp, North West Province, during the Industrial Action by several Public Service Unions from 11 to 17 March 2023.

Safety and security support was provided, in cooperation with the SAPS, in the prevention of crime and the maintenance and preservation of law and order by deploying soldiers to deter possible threats to critical infrastructure (ESKOM), along with the deployment of members and equipment in support of the Security Cluster response to the threat of a National Shutdown of the country on 20 March 2023.

Humanitarian assistance support was rendered to the people of South Africa by providing helicopters to conduct a Medical Evacuation in the Worcester area, Western Cape. Fixed-wing air transport was provided to support the National Department of Health in the distribution of vaccines throughout South Africa to combat the spread of COVID-19, and deployed Military Health Practitioners to provide tertiary medical care in the Gauteng Province.

FY2023/24

Support was rendered to other Government departments in order to preserve life, health or property by means of executing disaster aid relief and humanitarian operations by deploying personnel and equipment to flood-affected areas in the Eastern Cape Province. During this period, SANDF members were on standby across the country for the same reason.

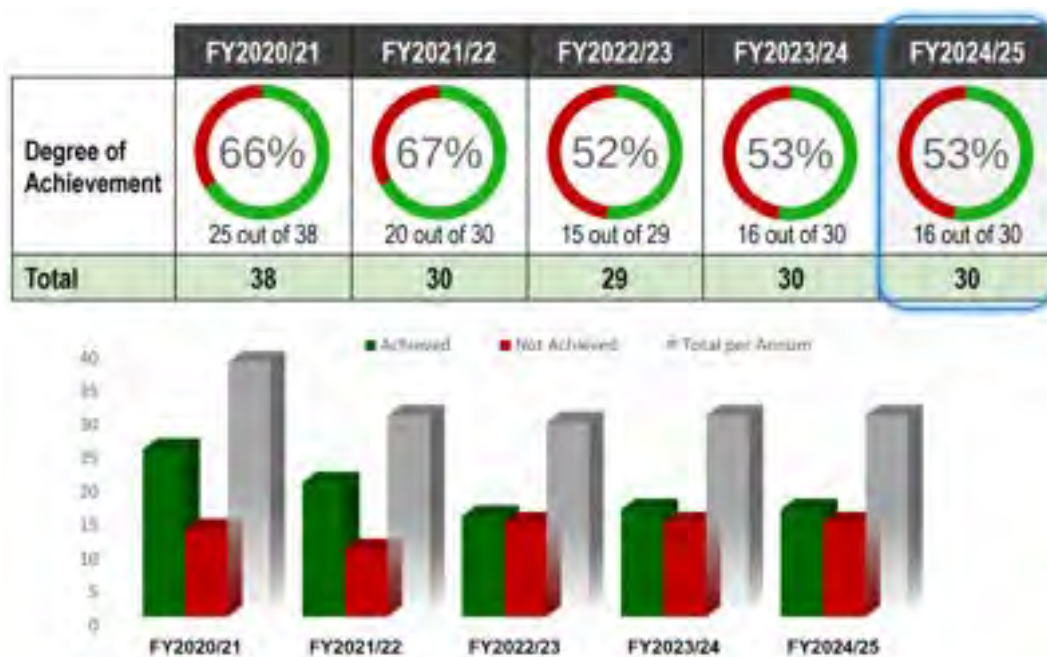
Safety and security support were rendered in co-operation with the SAPS:

- In the prevention of crime and maintenance and preservation of law and order by deploying soldiers to deter possible threats to critical infrastructure (ESKOM substations in Limpopo, Mpumalanga and the Free State provinces);
- To ensure the safe and free movement of traffic and goods (Trucks) along the main economic supply routes (Limpopo, Mpumalanga, KwaZulu-Natal, Free State and North West provinces); and
- To combat illegal mining across the country (Gauteng, North West, Limpopo, Mpumalanga, Free State and Northern Cape provinces).

FY2024/25

During FY2024/25, the DOD's performance was measured against the achievement of annual targets relating to 30 output indicators, of which 16 (53%) annual targets were fully achieved, and 14 (47%) partially achieved.⁴

Data visualisation depicts the DOD's year-on-year performance comparison/trend against annual targets over the 2020–2025 Strategic Period, as displayed below.



Output Indicators, Targets and Actual Achievements

The DOD's actual performance against Output Indicators and Targets over the 2020–2025 Strategic Period is summarised below.

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025					
Performance Indicator	Actual Achievement				
	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Programme 1: Administration					
Percentage adherence to the DOD Master Record Index for Policies	Target ≥80%	Target 60%	Target 60%	Target 60%	Target 60%
	Actual 66.2%	Actual 66%	Actual 67%	Actual 72.2%	Actual 71.6%

⁴ Excluding 14 SANDF Classified Indicators.

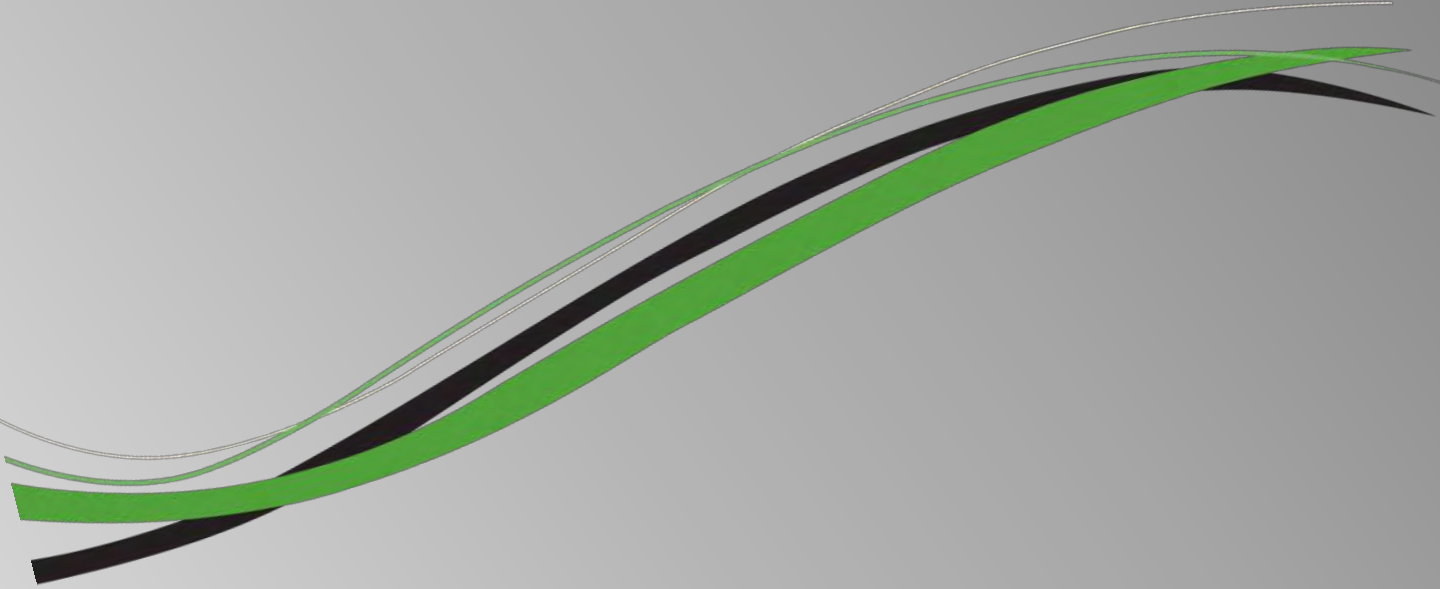
DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025					
Performance Indicator	Actual Achievement				
	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Percentage adherence to the DOD Master Record Index for Plans	Target 90%	Target 100% (44)	Target 100% (41)	Target 100% (41)	Target 100% (41)
	Actual 84.2%	Actual 88.6% (39)	Actual 85.4% (35)	Actual 90.24% (37)	Actual 87.8% (36)
Evaluation of the SA Defence Review 2015 completed	New Indicator			Target 100% (1) Actual 0% (0)	Target 100% (2) Actual 100% (2)
Number of Reserve Force mandays per year	Target 2 695 963	Target 2 601 591	Target 1 985 307	Target 1 989 953	Target 1 997 872
	Actual 3 355 353	Actual 3 237 118	Actual 2 818 497	Actual 3 257 162	Actual 3 664 429
Percentage audits completed in terms of the approved Risk Based Internal Audit Plan	Target 100%	Target 80%	Target 80%	Target 80%	Indicator Removed and/or Monitored through other Planning Instruments
	Actual 83.3%	Actual 82.5% (33)	Actual 91.9%	Actual 100% (41)	
Percentage audits completed in terms of the resourced Risk Based Internal Audit Plan	New Indicator				Target 100% Actual 100%
Percentage payments within 30 days from receipt of legitimate invoices	Target 75%	Indicator Removed and/or Monitored through other Planning Instruments	Target 75%	Target 75%	Target 75%
	Actual 77.41%		Actual 81.5%	Actual 77.6%	Actual 78.2%
Percentage compliance to the Department of Defence Interim Policy on Preferential Procurement	New Indicator				Target 100% Actual 100%
Percentage adherence to the DOD Master Record Index for Strategies	Target 50%	Target 5.55%	Indicator Removed and/or Monitored through other Planning Instruments		
	Actual 0%	Actual 0%			
Reduction in the number of Audit Qualifications	Target 5 Actual 2	Indicator Removed and/or Monitored through other Planning Instruments			

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025					
Performance Indicator	Actual Achievement				
	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	Target 100% Actual 100%	Indicator Removed and/or Monitored through other Planning Instruments			
Programme 2: Force Employment					
Number of planned joint, interdepartmental, interagency and multinational military exercises conducted per year	Target 0 Actual 0	Target 2 Actual 1	Target 4 Actual 4	Target 1 Actual 1	Target 2 Actual 1
Number of landward sub-units deployed on border safeguarding per year	Target 15 Actual 15	Target 15 Actual 15	Target 15 Actual 15	Target 15 Actual 15	Target 15 Actual 15
Percentage compliance with number of external operations per year	Target 100% Actual 100%	Target 100% Actual 100%	Target 100% Actual 67%	Target 100% Actual 75%	Target 100% Actual 75%
Percentage of the value of reimbursement by the UN/AU recognised	Target 70% Actual 52%	Target 70% Actual 47%	Target 70% Actual 57%	Target 70% Actual 42%	Indicator Removed and/or Monitored through other Planning Instruments
Percentage compliance with the Southern African Development Community Standby Force Pledge per year	Target 100% Actual 87.50%	Target 100% Actual 100%	Target 100% Actual 88%	Target 100% Actual 79%	Target 100% Actual 85%
Percentage compliance with number of internal operations per year	Target 100% Actual 100%	Target 100% Actual 100%	Target 100% Actual 100%	Target 100% Actual 100%	Target 100% Actual 100%
Number of Maritime Coastal Patrols conducted per year	Target 4 Actual 3	Target 4 Actual 4	Target 4 Actual 2	Target 4 Actual 3	Target 4 Actual 4
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	Target 100% Actual 100%	Indicator Removed and/or Monitored through other Planning Instruments			

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025					
Performance Indicator	Actual Achievement				
	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Programme 3: Landward Defence					
Percentage compliance with Landward Defence training targets	Target 80% (2 813)	Target 80% (5 093)	Target 80% (1 645)	Target 80% (3 738)	Target 100% (5 355)
	Actual 69.85% (2 456)	Actual 165% (10 507)	Actual 217.8% (4 479)	Actual 96.39% (4 504)	Actual 68.94% (3 692)
Number of Landward Defence unique force training exercises conducted	Target 0	Target 3	Target 3	Target 4	Target 4
	Actual 0	Actual 3	Actual 4	Actual 4	Actual 4
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	Target 100% Actual 100%	Indicator Removed and/or Monitored through other Planning Instruments			
Programme 4: Air Defence					
Percentage compliance with Air Defence training targets	Target 80% (687)	Target 80% (687)	Target 80% (637)	Target 80% (537)	Target 80% (632)
	Actual 63.35% (544)	Actual 48.33% (415)	Actual 76.48% (609)	Actual 175.49% (1 178)	Actual 87.22% (689)
Number of Air Defence unique force training exercises conducted	Target 0	Target 1	Target 1	Target 1	Target 1
	Actual 1	Actual 1	Actual 1	Actual 1	Actual 1
Number of hours flown per year	Target 17 100	Target 17 100	Target 12 000	Target 12 000	Target 12 000
	Actual 13 726.40	Actual 15 215.60	Actual 12 059.20	Actual 6 904.06	Actual 6 209.53
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	Target 100% Actual 100%	Indicator Removed and/or Monitored through other Planning Instruments			
Programme 5: Maritime Defence					
Percentage compliance with Maritime Defence training targets	Target 80% (257)	Target 80% (197)	Target 80% (398)	Target 80% (190)	Target 80% (398)
	Actual 87.19% (280)	Actual 98% (241)	Actual 103.5% (515)	Actual 75.37% (179)	Actual 33.2% (165)
Number of Maritime Defence unique force training exercises conducted	Target 1	Target 1	Target 1	Target 1	Target 1
	Actual 1	Actual 1	Actual 1	Actual 1	Actual 1

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025					
Performance Indicator	Actual Achievement				
	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Number of hours at sea per year	Target 10 000 Actual 6 818.43	Target 8 000 Actual 7 614.43	Target 8 000 Actual 2 770.32	Target 8 000 Actual 2 641.47	Target 8 000 Actual 3 717.16
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	Target 100% Actual 100%	Indicator Removed and/or Monitored through other Planning Instruments			
Programme 6: Military Health Support					
Percentage compliance with Military Health Service training targets	Target 80% (648) Actual 29.14% (236)	Target 80% (648) Actual 33% (270)	Target 80% (648) Actual 40% (320)	Target 80% (528) Actual 85.61% (565)	Target 80% (648) Actual 69.6% (564)
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	Target 100% Actual 100%	Indicator Removed and/or Monitored through other Planning Instruments			
Programme 7: Defence Intelligence					
Number of vetting decisions taken in accordance with requirements	Target 4 500 Actual 6 520	Target 5 000 Actual 6 308	Target 5 500 Actual 5 111	Target 6 000 Actual 6 247	Target 6 000 Actual 3 093
Total number of Defence Attaché Offices	Target 44 Actual 44	Target 44 Actual 44	Target 44 Actual 44	Target 44 Actual 44	Target 44 Actual 44
Number of Defence Intelligence products provided	Target 448 Actual 1 114	Target 448 Actual 698	Indicator Removed and/or Monitored through other Planning Instruments		
Programme 8: General Support					
Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19	Target 100% Actual 100%	Indicator Removed and/or Monitored through other Planning Instruments			
Percentage procurement requests fully completed within 90 days from day of registration	Target 95% Actual 99.87%	Target 95% Actual 97.5%	Target 95% Actual 62.24%	Target 95% Actual 40.3%	Target 95% Actual 56.6%

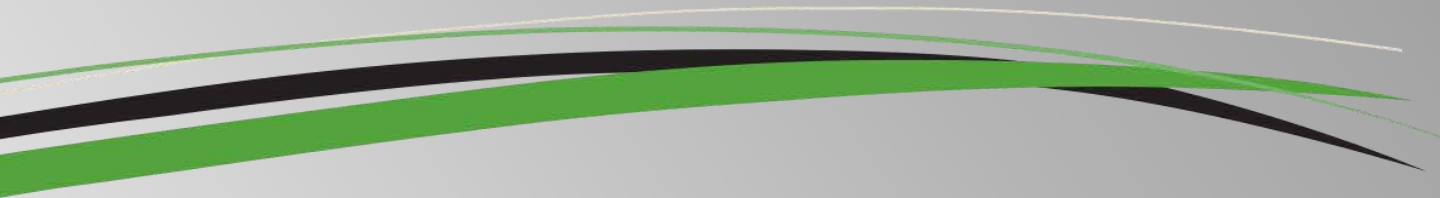
DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2020 to 31 March 2025					
Performance Indicator	Actual Achievement				
	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Percentage of expenditure in accordance with Facilities Plan (Payment of leases, accommodation charges and municipal services)	Target 100% Actual 101.31%	Target 100% Actual 102.65%	Target 100% Actual 99.28%	Target 100% Actual 97.2%	Target 100% Actual 100.2%
Percentage compliance to the DOD Information and Communication Technology Implementation Plan	Target 90.4% Actual 91.73%	Target 90.23% Actual 45.77%	Target 90% Actual 79.64%	Target 90% Actual 90.5%	Target 90% Actual 90.5%
Number of deliberate crime prevention operations conducted	Target 124 Actual 114	Target 124 Actual 118	Target 124 Actual 174	Target 124 Actual 187	Target 124 Actual 168
Percentage investigations finalised (backlog)	Target 40% Actual 56.57%	Target 40% Actual 73.97%	Target 50% Actual 36.15%	Target 50% Actual 35.8%	Target 50% Actual 34.6%
Percentage investigations finalised (in-year)	Target 25% Actual 44.59%	Target 25% Actual 53.61%	Target 30% Actual 37.12%	Target 30% Actual 26.9%	Target 30% Actual 25.7%







Governance

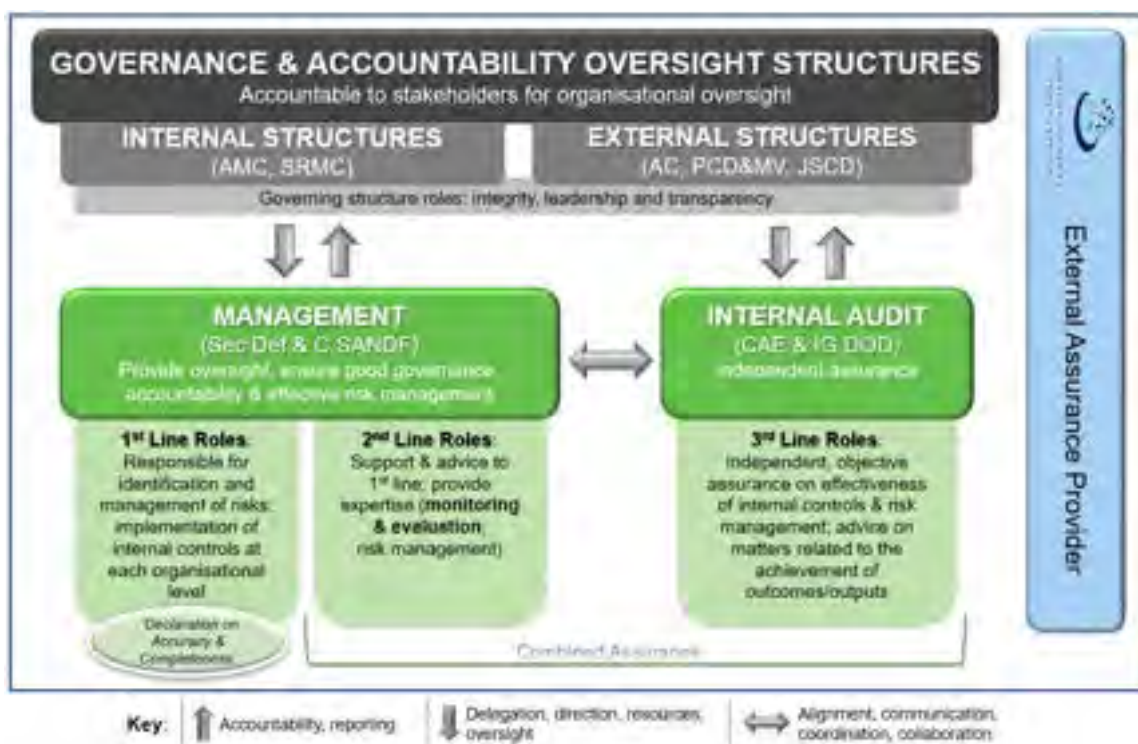


Governance and Accountability

Under the guidance of the Accounting Officer, the Department of Defence (DOD) endeavoured to ensure that effective governance and risk management practices are incorporated at all organisational levels. Governance structures remain instrumental in ensuring that the appropriate oversight over business processes at all levels is attained. The Plenary Defence Staff Council, being the highest governing body of the DOD, is constituted of sub-committees that are delegated with functions to ensure that organisational objectives are achieved, within the prevailing Regulatory Framework.

The DOD ensured good governance and accountability by embracing the relationship between the respective assurance providers on the four levels of assurance and reassurance, as depicted in the DOD's Assurance Model. DOD Top Management remains responsible for ensuring that organisational objectives are achieved by providing reasonable assurance on the effectiveness of internal controls and risk management processes.

The figure below illustrates the lines of defence for assurance and reassurance, which aim to provide oversight; ensure good governance, accountability and effective risk management within the DOD.



Monitoring and Evaluation

During the reporting period, Monitoring and Evaluation (M&E) Reports were compiled with the aim of serving as a mechanism to alert the Accounting Officer to areas of weak performance, potential challenges and where corrective action is required. These M&E Reports were submitted and presented to internal and external oversight structures, i.e., the Accountability Management Committee (AMC) and the DOD Audit Committee.

M&E Reports functioned as:

- A management tool for decision-making.
- A criterion for the implementation of corrective measures.
- An instrument for planning for future organisational objectives.

During the reporting period, the two M&E Reports compiled were as follows:

- A DOD Mid-Year M&E Report for FY2024/25 with the purpose of reappraising the Auditor-General South Africa (AGSA) FY2023/24 DOD Audit Outcomes relative to the status of performance (progression and/or regression) against the DOD Annual Performance Plan (APP) for 2024, as at 30 September 2024.
- A DOD Year-End M&E Report with the aim of providing a year-to-date status on performance achievement against the DOD APP for 2024, as at 31 December 2024. This M&E Report was the last forewarning to alert management of areas of weak and/or underperformance, indicate areas where corrective actions and/or interventions by leadership are required and inform management of potential challenges to be encountered during the 2024/25 Audit Cycle.

Risk Management

The Department's risk management approach and practices are consistent with the approved DOD Risk Management Policy. The promulgated Risk Management Policy (DOD Instruction 00099/2013 [Edition 2]) is currently being revised. The Department has an approved Enterprise Risk Management Framework, and the development of the DOD Risk Management Strategy is in progress. Regular risk assessments are conducted to identify and analyse risks that have the potential to hamper the departmental strategic objectives, as well as determine the effectiveness of the Risk Management Framework. New and emerging risks are regularly identified and monitored through appropriate departmental reporting channels.

The Department has established a Strategic Risk Management Committee, which was formally appointed by the Accounting Officer to assist with the responsibility for risk management as required by the Public Finance Management Act (PFMA) Section 38(1)(a)(i). The Committee is chaired by an independent external person and comprises members from top management, who represent core operational functions within the Department. Its members collectively possess the necessary skills, expertise and knowledge of the Department to contribute to the advancement of risk management within the Department. During the reporting period, top management was committed towards an improved and effective risk management approach.

The Strategic Risk Management Committee reviews the Department's overall system of risk management and advises the Accounting Officer and the Chief of the SANDF on the state of risk management and the mitigation of unacceptable levels of risk, in line with its approved Risk Management Charter. This Committee reports to the DOD Audit Committee, which exercises oversight and advises the Department on risk management.

The DOD Audit Committee consists of independent, external members and provides an independent and objective view of the Department's risk management effectiveness and makes recommendations and provides advice to the Executive Authority and the Accounting Officer.

Risk management is embedded in the Department's strategic and operational processes. To ensure that risks within the Department are well managed and that improvements in the Department's performance are realised, the Department's Risk Management Directorate maintains the following instruments:

- The DOD Enterprise Risk Management Framework;
- The DOD Risk Management Policy;
- The DOD Strategic Risk Management Committee Charter;
- The DOD Risk Management Implementation Plan;
- The DOD Consultative Risk Management Forum Charter.

During the FY2024/25 assessment cycle, the DOD achieved an improved Enterprise Risk Management Maturity rating of a level five out of six.

The table below provides details on progress made in the management and mitigation of DOD Enterprise Risks during FY2024/25.

DOD Enterprise Risk Management and Mitigation for FY2024/25	
Risk Mitigation	Progress and Intervention
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments	
DOD Output 5: Defence capabilities supported	
Enterprise Risk 1: Deteriorating DOD Facilities and Infrastructure	
Develop the Revised Overarching Logistics Concept and Strategy.	An Integrated Project Team (IPT) was established under the leadership of Deputy C Log in Jan 2025 to finalise the DOD Overarching Logistics Concept and Strategy. The development of the Strategy remains work in progress under the guidance of C SANDF. The Revised Overarching Logistics Concept and Strategy was presented to DOD Management Bodies during Feb 2025. It is foreseen that the Strategy will be presented to the MCC during FY2025/26.
Develop the DOD Facilities Concept and Strategy.	The DOD Facilities Concept and Strategy is part of the DOD Overarching Logistics Concept and Strategy. An IPT was established under the leadership of Deputy C Log in Jan 2025 to finalise the DOD Overarching Logistics Concept and Strategy. The development of the Strategy remains work in progress under the guidance of C SANDF. The Revised Overarching Logistics Concept and Strategy was presented to DOD Management Bodies during Feb 2025. It is foreseen that the Strategy will be presented to the MCC during FY2025/26.
NDPWI to continue conducting capital and refurbishment projects for the DOD.	At the time of reporting, 96 projects were on the schedule in various stages. 19 Projects were revised for funding by the DOD for finalisation by DPWI during the FY2024/25.
Defence works formation to continue with own resourced projects.	The Logistics Divisions (Defence Works Formation) had 71 own resourced projects to be conducted for the DOD throughout the country, of which 14 projects were completed during FY2024/25. 86.75% of the total payments have been made for the FY2024/25.

DOD Enterprise Risk Management and Mitigation for FY2024/25	
Risk Mitigation	Progress and Intervention
Implementation of the User Asset Management Plan (UAMP).	The 2024/25 UAMP was approved by the Accounting Officer and was submitted to NT for funding considerations. The UAMP is 20% implemented according to funding provided by NT for 28 projects for FY2024/25.
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments	
DOD Output 5: Defence capabilities supported	
Enterprise Risk 2: Prevalence of legacy DOD Information Communication Technology Systems (ICTS) in the DOD	
Define terminology and classify systems in use according to a legacy framework.	The Department consulted with SITA to clarify terminology/definitions (aged vs legacy). Further meetings to address the classification of systems were scheduled to take place in Q1 of FY2025/26.
Advise Services and Divisions regarding refinement of business processes to enable modernisation and optimisation requirements that will be managed on a per-case basis.	A CMIS session with ICT representatives from Services and Divisions was held on 05 Jun 2024. Continuous interactions between CMIS, Service and Division ICT representatives on various forums facilitate new requirements and assist with the optimisation of systems.
On completion of the Enterprise Architecture (EA) and Integrated Defence Enterprise System (IDES) concept by the DEISM Division, the CMIS Div to expedite processes and projects to enable optimisation, modernisation, integration and digital transformation of ICT Systems and Services.	The CMIS is dependent on the DEISM to finalise the EA. The DODI on EA was deferred to 30 Nov 2026, while the EA Strategy was put on hold during FY2024/25.
Development of the Defence Information System Agency concept to be considered as part of the reduction of the dependency on the SITA.	CMIS facilitated a planning session with Services and Divisions from 27 to 31 May 2024, to identify areas where dependencies can be reduced. The subsequent outcome and proposal were presented to the PDSC in Oct 2024, and guidelines were provided. Consultations with Services and Divisions are held to ensure all requirements and options are included in the presentation to the PDSC.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence	
DOD Output 1: Defence effectively administered	
Enterprise Risk 3: Prevalence of Fraud and Corruption	
Implement and monitor the revised DOD Corruption and Fraud Prevention Plan.	The revised Fraud Prevention Plan has been approved and will be implemented during FY2025/26.
Develop the DOD Ethics Strategy.	The development of the DOD Ethics Strategy is in progress. The Strategy is anticipated to be finalised in FY2025/26.
Conducting of Consequence Management by Departmental leadership on outcomes of Corruption and Fraud that originate from their specific environments.	The Policy (DODP and DODPP) on Consequence Management is to be developed in FY2025/26.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence	
DOD Output 1: Defence effectively administered	
Enterprise Risk 4: Prevalence Litigation	
Implementation of the DODI on Litigation and Legal Advice.	DODI/00214 (Ed 1) Policy on Legal Advice and Litigation was implemented across the DOD in FY2024/25.
Conducting of Consequence Management by Services and Divisions on outcomes of Litigation cases that originate in their specific environments.	The Policy (DODP and DODPP) on Consequence Management is to be developed in FY2025/26.

DOD Enterprise Risk Management and Mitigation for FY2024/25	
Risk Mitigation	Progress and Intervention
Vetting the departmental policies and contracts for Level 0 and Level 1.	The requested legal advice was provided with original deadlines set or as agreed to by both parties. 78 Contracts were vetted over the FY2024/25 reporting period, and feedback was provided with recommendations and/or changes to respective contract owners.
Provide support and Legal advice on the outcomes of Litigation (Court Orders) that impact the DOD.	Legal Advice was provided on all 614 requests finalised.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence	
DOD Output 1: Defence effectively administered	
Enterprise Risk 5: Compromised Corporate Governance	
Monitor and maintain the Policy on Policies.	DODP/00001 (Ed 5): Policy on Departmental (Level 1) Policies and DODPP/00001 (Ed 2): Processes and Procedures for Departmental (Level 1) Policy Instruments was updated and promulgated during Nov 2023, and is monitored continuously.
Implement the Policy on Policies by maintaining a configuration control system and providing a policy advisory support service.	Policy advisory services have been provided as required.
Develop and publish the DOD Policy Status Reports from the DOD Master Record Index for Policies.	Policy Status Reports were published on the DOD Policy (Intranet) Website.
Regulate and administer the Departmental (Level 1) Policy Process by means of a DOD Policy Board.	Three out of four planned DOD Policy Boards were held to regulate and administer the Departmental (Level 1) Policy Process. The meeting scheduled to convene on 21 Feb 2025 was postponed to 11 Apr 2025.
Present training interventions to Services and Divisions as required.	Two DOD Policy Development workshops and one Policy Website Conventions workshop were presented during the reporting period.
Development and timeous review of policies by Functional Authorities.	81 DOD Policies were provided with policy advice, quality assurance and other relevant information and acted on by policy advisors. 11 Policies were promulgated and published during FY2024/25, of which three were newly developed and eight reviewed.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence	
DOD Output 1: Defence effectively administered	
Enterprise Risk 6: Lack of a DOD integrated Enterprise Architecture	
Develop and implement the Enterprise Architecture DODI (including EA Implementation Plan) in the DOD.	The DODI on EA was deferred to 30 Nov 2026.
Review DODI on Corporate Governance of ICT.	The review of the Corporate Governance of ICT Policy was deferred to 30 Sep 2025. A first draft has been developed for consultation with Services and Divisions. Implementation of the Corporate Governance of ICT Action Plan is in progress.
Develop the Enterprise Architecture Strategy.	The development of the DOD Strategy on Enterprise Architecture has been put on hold due to a lack of resources to execute EA-related requirements.
Implement the DOD Corporate Governance of Information and Communication Technology Policy.	The Corporate Governance Information and Communication Technology Implementation Plan for FY2024/25 was reviewed and approved on 30 Aug 2024 and is being utilised to implement the DOD Corporate Governance of Information and Communication Technology Policy.

DOD Enterprise Risk Management and Mitigation for FY2024/25	
Risk Mitigation	Progress and Intervention
Establish the DOD ICT Steering Committee.	The DOD ICT Steering Committee has been renamed to the DOD ICT Investment Committee with the same mandate as the Steering Committee. The DOD ICT Investment Committee Constitution was compiled.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence	
DOD Output 1: Defence effectively administered	
Enterprise Risk 7: Severely constrained Defence allocation	
Elevation of strategic Defence and security funding shortfalls and risks to the MTEC process for additional funding.	The DOD co-directed the compilation of an urgent Cabinet memorandum on the Defence funding required across the 2025 MTEF period in order to meet urgent and critical requirements. The 2024 Medium-Term Budget Policy Statement, tabled on 30 Oct 2024 informed the determination of the 2025 MTEF Preliminary Allocations, which were approved by Cabinet.
Engagement of the Commander in Chief and the National Security Council for further strategic direction.	The Department completed the documents in fulfilment of both the FY2023/24 Ministerial Priorities, as well as the subsequent direction as was given by the President during a bilateral engagement on 24 Jan 2024. These documents were formally submitted to the Presidency on 31 Oct 2024.
Engagement of Parliamentary Appropriations process.	A joint Standing Committee on Appropriations and PCDMV closed session was held on 26 Feb 2025 in Cape Town to discuss the underfunding of the DOD and fiscal challenges. The DOD highlighted critical funding priorities to the joint sitting.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence	
DOD Output 1: Defence effectively administered	
Enterprise Risk 8: Increase in Fruitless and Wasteful, Irregular Expenditure (excluding Compensation of Employees)	
Capacitation of the Procurement Entities.	Various engagements between the DOD and NSG were held to address the training requirements and outline the process to be followed. The Annual Procurement Forum was held from 29 to 31 Oct 2024 to address the capacitation of Procurement Entities. Two courses on Corporate Governance were presented to DOD officials by the NSG during the reporting period.
Medium-term expansion of procurement centres within the DOD.	The matter was investigated. The moratorium on the expansion of structures, along with current funding constraints, will impact the expansion of procurement centres.
Investigate the establishment of a procurement corps.	The establishment of the Procurement Corps was not approved; therefore, the investigation has been cancelled.
Request for Condonation of Irregular Expenditure.	Requests for the Condonation of Irregular Expenditure were forwarded to the FMD for recommendation. The DOD Prosecution Recovery Committee assess and recommends to the Accounting Officer to request condonation from NT. 21 Incidents of condonation were submitted to NT, eight incidents to the value of Rm29,9 were condoned. 13 Incidents were not condoned and were removed by the Accounting Officer.
Enforcement of accountability and consequences for non-compliance with legislation and regulations.	Committees were established to manage and prevent irregular expenditure within Services and Divisions.
The Governance, Risk and Compliance (GRC) Accountability Committee oversight visits to Procurement entities focusing on high-risk areas.	23 Governance and oversight visits were conducted by the Defence Matériel Division in conjunction with the Procurement Governance, Risk, Compliance and Accountability Committee, which have contributed to enhancing procurement governance, risk and accountability at Procurement Entities.

DOD Enterprise Risk Management and Mitigation for FY2024/25	
Risk Mitigation	Progress and Intervention
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments	
DOD Output 2: Defence capabilities prepared DOD Output 5: Defence capabilities supported	
Enterprise Risk 9: Inability of the DOD to provide an effective health care service	
Refurbishment of health care facilities.	The healthcare facilities completed in FY2024/25 for renovations/refurbishments include Health Centre Mthatha, New Saldanha sickbay and Bethlehem sickbays to ensure the provision of quality health services.
Implementation of SAMHS (SG) Five-Year Forward View.	Risk response withdrawn.
Implementation of a Managed Health Care Plan.	An IPT was established to develop processes and procedures (roll out of the Managed Health Care Plan) to control the cost of outsourcing, the efficiency thereof, and the timely payment of resultant accounts. A paperless system at the Patient Administration Management Accounting Centre was established and rolled out after testing was conducted successfully. Approval was granted for 12 nurses to study Case Management in FY2025/26.
Capital injection for the procurement of medical health technological equipment.	An amount of Rm60 was set aside to attend to critical medical equipment requirements (i.e., dental clinics, diagnostic equipment at 2 Mil Hospital and on-board naval vessel medical equipment). The diagnostic equipment for 2 Mil Hospital and the on-board medical equipment were successfully delivered and paid for. The NT transversal contract for dental equipment was not concluded in FY2024/25.
Restructuring of the current SAMHS Structure.	A work study was completed on funding 1 389 unfunded posts on the current SAMHS structure. Posts to be activated are yet to be identified. The translation of nursing posts was completed.
Resuscitate the Pharmaceutical Proprietary contract.	The submission of the Proprietary contract was finalised in Q4 for presentation and approval by the Departmental Commercial Procurement Board.
Roll back of Medical Based Depots from C Log.	Medical Health Based Depots are under the functional command and control of the SG, while C Log is responsible for common logistics and maintenance since 17 Mar 2025.

Fraud and Corruption

The DOD Corruption and Fraud Prevention Plan was reviewed and updated, with the implementation date set for 01 April 2025. This Plan will be reviewed annually, and if no major policy changes or other matters are recorded, the Plan will remain valid for three years from the date of promulgation.

Directorate Anti-Corruption and Anti-Fraud served as a nodal point for the Department by providing a whistleblowing hotline and a detection and awareness education service:

- No whistleblowing cases were reported; and
- 67 Awareness activities were conducted.

During the reporting period, nine fraud and corruption cases were detected, of which four were completed, another four were referred to the Military Police for investigation, and one case was in progress at the time of this Report.

The DOD has a team of six full-time Senior Military Judges appointed to exclusively adjudicate cases involving serious offences and financial misconduct, relative to fraud and corruption, and sexual misconduct cases. A complementary team of seven Prosecution Counsel focused on fraud and corruption cases during the year under review.

The Adjutant General endeavoured, through the legislative process, to expedite the approval of the Military Discipline Bill. It is envisaged that this Bill, once approved, will enhance the institutionalisation of processes and procedures to support a structured and disciplined military force.

Minimising Conflict of Interest

The DOD acknowledges that conflict of interest obstructs good governance. The minimising of conflict of interest forms an integral part of the organisational values of the Department, i.e. *Ethics* and *Openness and Transparency*, among others. During the reporting period, the Department ensured that:

- Standard Bidding Document 4, as part of bidding documentation by suppliers, must be completed and submitted with bids. The information provided is tested against the Central Supplier Database, which provides all the relevant information to determine whether company directors are employees of the State and whether they have been awarded any contract by a State entity.
- DOD Committee or Board members are required to declare their business interests and their status as Board of Directors, as well as a declaration of interests per committee sitting, to eliminate conflicts of interest where applicable. Such disclosures are evaluated during oversight visits.
- Senior Management, Middle Management and other designated members are required to disclose their financial interests annually via the prescribed Department of Public Service and Administration Electronic Disclosure System as and when required to do so.¹
- Financial, logistical and acquisition officials in the DOD must annually declare their interests which might be in conflict when performing duties in their respective areas of responsibility.

Reforms in Procurement have been addressed through Departmental Instructions. Meetings to consider streamlining procurement processes and ensure compliance with the regulatory framework were held regularly.

In some instances, personnel in the procurement centres and units have been rotated out of the procurement environment to minimise familiarity with key stakeholders.

Additionally, a *Bid Adjudication Support Tool* has been developed to assist members of Bid Committees to individually verify and confirm the status of the information that they have considered; this forms part of the audit trail.

The focus of the Officers Commanding Seminars that were held during FY2024/25 was to ensure that the Officers Commanding and General Officers Commanding are trained on procurement

¹ The Human Resources Division administers the management of employees' financial disclosures and those doing business with the State.

implementation and provided a handbook that they can utilise as a reference to minimise conflict of interest and other related irregularities.

Code of Conduct

The DOD is committed to organisational values that are rooted in individual values, codes of conduct and unit cohesion. In delivering the defence mission, the DOD continued to pursue and adhere to the following organisational values:

- Accountability
- Consultation Rooted in Effective and Efficient Partnership and Collaboration
- Discipline
- Ethics
- Excellence
- Openness and Transparency
- People
- Service Standards
- Teamwork

Health, Safety and Environmental Issues

Directorate Occupational Health and Safety, in terms of the Occupational Health and Safety (OHS) Act, 1993 (Act No. 85 of 1993), is mandated to ensure the management of OHS in the DOD. Non-compliance with OHS standards and prescripts, because of ineffective OHS monitoring and evaluation, and related training may lead to occupational injuries, illnesses and disabilities. This may subsequently result in litigation against the DOD.

Ten OHS monitoring and evaluation visits to various DOD Force Structure Elements were conducted during FY2024/25. The focus of these visits was aimed at OHS compliance in the Department. Ten OHS training courses were presented to ensure the preparedness of OHS representatives, especially during major events.

The Department commenced with the formulation of a DOD OHS Strategy during the year under review. This Strategy will adhere to government prescripts, legislative direction and imperatives to ensure that the DOD is compliant with all legal prescripts. Once approved, the Strategy will enable a proactive approach to managing risks, create and maintain a safety culture, and a healthy work environment for all DOD employees.

Parliamentary Oversight Committees

Appearances before Parliamentary Oversight Committees

During the reporting period, the Minister of Defence and Military Veterans, the Deputy Minister, the Accounting Officer and representatives from the Department and its entities, collectively appeared before the Portfolio Committee on Defence and Military Veterans (PCDMV) on eight occasions and the Joint Standing Committee on Defence (JSCD) on three occasions, primarily concerning matters pertaining to the DOD.

During this period, the PCDMV and JSCD each undertook one oversight visit to DOD entities/facilities.

The Department briefed the PCDMV quarterly on the DOD's Non-Financial and Financial Performance Status. In addition to these briefings, progress was also provided against the PCDMV Budget Review and Recommendations Report on the DOD Annual Report for FY2023/24.

The most prominent matters raised and monitored by the Committees during FY2024/25 related to, amongst others:

- Progress made by the DOD with the implementation of Audit Action Plans.
- Update on the status of consequence management in the DOD in relation to irregular, fruitless and wasteful expenditure.
- Progress made by the DOD relative to force rejuvenation and efforts to bring the Compensation of Employees expenditure under control.
- Status of maintenance contracts for the SANDF's prime mission equipment.

Standing Committee on Public Accounts Resolutions

The Minister, Deputy Ministers and senior management appeared before the Standing Committee on Public Accounts (SCOPA) on 18 February 2025 and were required to provide details on the following matters:

- Unfunded commitments and the process followed to activate internal and external deployments.
- Lack of consequence management for officials responsible for the incurrence of irregular and fruitless, and wasteful expenditure.
- The SA Air Force and SA Navy did not achieve their set targets. An indication had to be provided whether the underperformance was linked to a lack of funding, mismanagement and financial misappropriation, or deteriorating capabilities.
- The Minister had to provide an assessment of the capabilities and effectiveness of the Internal Audit Division and the DOD Audit Committee.

- The Departmental positioning of the Supply Chain Management function, as required by the Treasury Regulations.
- Status of the completeness of the DOD Asset Registers, with specific reference to vehicle asset registers.

Based on the seriousness of the issues raised and responses furnished, especially relating to the lack of consequence management and the continuous underfunding of the SANDF, SCOPA indicated that the Department will be required to report on progress made with the implementation of consequence management and the effective and efficient utilisation of Defence's budget allocation during FY2025/26.

Prior Modifications to Audit Reports

The table below provides details with respect to the progress made in resolving the AGSA FY2023/24 Audit Report matters.

Progress made in Resolving AGSA Audit Report Matters during FY2024/25	
FY2023/24 AGSA Audit Report Reference	Progress Made in Clearing / Resolving the Matter
Qualification: Goods and Services and Investments	
First Reported in FY2016/17	
The department accounts for non-sensitive and sensitive projects expenditure in connection with the special defence activities as per Section 2(2)(a) of the Defence Special Account Act 6, 1974, as amended. I was unable to obtain sufficient appropriate audit evidence on the sensitive projects' expenditure and related investments due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. I was unable to confirm goods and services and investments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included in the expenditure of R14,18 billion (2023: R14,21 billion), as per note 5 to the financial statements, and investments for special defence activities included in the investment amount of R179,16 million (2023: R179,16 million), as per note 12 to the financial statements.	There is an inherent limitation as a result of the sensitivity of the environment and the way in which normal mandated business (in terms of the Defence Act) is conducted, which by its pure nature would inherently prevent the auditor from having full and unrestricted access in order to express a favourable opinion which would normally be possible in an environment where national security would not be negatively impacted by such unrestricted access. A decision by the Joint Standing Committee on Intelligence and Parliament must be taken on how these types of transactions, which affect the Defence Intelligence, Crime Intelligence and the SSA, must be audited and reported on. The IG DOD and the IAD have included the audit of the sensitive environment of the SDA in their audit plans in order to provide some assurance on the transactions in that environment.
Qualification: Irregular Expenditure	
First Reported in FY2016/17	
The department did not fully record irregular expenditure in the notes to the financial statements, as required by Section 40(3)(b)(i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. Consequently, I was unable to determine the full extent of the understatement of irregular expenditure, stated at R338,5 million (2023: R921,0 million) in note 25 to the financial statements, as it was impracticable to do so.	The Accounting Officer (AO) established the Governance, Risk, Compliance and Accountability Committee to oversee the capability of the various procurement entities to be issued a procurement delegation and how effectively the delegation is being executed. Where there are concerns, the delegation is withdrawn or suspended until satisfactory remedial action has been undertaken. Non-compliances and findings generated from the Oversight Visits of the aforementioned Committee are shared with the Chiefs of Services/Divisions, AGSA and Audit Committee. The latter consistently monitors the progress made wrt implementing recommendations. Procurement Entities delegation was amended to include Section 38(1)(c)(ii). The amendment holds the OC accountable for the IE. The AO can request that disciplinary action be enforced in instances of non-compliance. A procurement checklist has been designed that must form part of the procurement file, where the procurement subsections within a Procurement

Progress made in Resolving AGSA Audit Report Matters during FY2024/25	
FY2023/24 AGSA Audit Report Reference	Progress Made in Clearing / Resolving the Matter
	Entity will have to complete their part as confirmation that the procurement process was fair, competitive, transparent, equitable and cost-effective. Procurement files will be audited by Procurement Officers to verify the completeness and compliance before it is filed, where the Procurement Officer identify possible IE, reports it immediately to the OC. The OC needs to ensure that this function has been executed by the Procurement Officer weekly, and declare it as part of the monthly report and returns. The Compliance Office within Directorate Procurement Management will execute spot checks at Procurement Entities to verify that procurement regulations and policies are correctly implemented. To address procurement technical-related matters, the MoA with the NSG was signed by both the Acting Secretary for Defence and the NSG Principal in the previous financial period. To date, the following entities have undertaken training: CPSC, ASB KZN and ASB Mpumalanga. There are ongoing engagements with NT and AGSA on other incidences that are under assessment. The factual findings where no agreement could be reached were included in the under assessment register. The possible IE were sent to IG DOD and the IAD by Directorate Financial Control Services. The AO will decide on whether or not to disclose IE after feedback is received from IAD and IG DOD. Boards of Inquiry and investigations are progressing, albeit slowly, and the resulting recommendations thereof will enable the effective management/implementation of consequence management.
Qualification: Movable Tangible Assets	
First Reported in FY2020/21	
I was unable to obtain sufficient appropriate audit evidence for movable tangible capital assets as the department could not indicate where these assets are located nor provide other information relating to the location of these assets. Furthermore, the department could not provide sufficient appropriate audit evidence that management had properly accounted for some specialised military assets amounting to R4,04 billion that are not accounted for in the normal asset management system, due to non-submission of registers in support of these assets. I was unable to confirm or verify these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets stated at R67,09 billion (2023: R66,76 billion) in note 30 to the financial statements. The department did not recognise all items of movable tangible capital assets in accordance with MCS chapter 11, Capital assets. I identified items of movable tangible capital assets belonging to the department that were not included in the underlying accounting records as controls were not established to ensure all assets are recorded on the asset registers. Consequently, I was unable to determine the full extent of the understatement of movable tangible capital assets, stated at R67,09 billion (2023: R66,76 billion) in note 30 to the financial statements, as it was impracticable to do so. The department did not recognise all movable tangible capital assets at cost in accordance with MCS chapter 11, Capital Assets. I identified a significant number of assets acquired after	The stock verification policy has been published and distributed within the Department. A qualitative review of the Asset Register is conducted monthly by Director Asset Management (DAM) and IAD. A work session is planned for monitoring progress on the implementation of the action plans as developed. During these sessions, DAM will also tackle issues of asset completeness and valuation by providing a system-generated asset list for members to review and correct. Regularly hold Material Administration Management meetings to ensure effective stocktaking and asset management. Performance Agreement Integration: An instruction will be issued to incorporate asset management into the performance agreements of OCs and upwards. This will ensure that asset management performance impacts their overall performance indicators, promoting accountability and adherence to asset management protocols. Adjustments to values have been limited on the systems to be carried out only with the approval of DAM and Logistics, and Finance reconciliations are being monitored on a monthly basis.

Progress made in Resolving AGSA Audit Report Matters during FY2024/25	
FY2023/24 AGSA Audit Report Reference	Progress Made in Clearing / Resolving the Matter
1 April 2002 which were recorded at R1 as documentation to establish the cost is not available. This is in contravention of the MCS which allows R1 values to be assigned only to those assets acquired prior to 1 April 2002. Consequently, I was unable to determine the full extent of the understatement of movable tangible capital assets stated at R67,09 billion (2023: R66,76 billion) in note 30 to the financial statements as it was impracticable to do so. The department did not comply with the modified cash standard in ensuring that all movable tangible capital assets remain at historical cost in accordance with MCS Chapter 11, Capital assets. I identified cost adjustments to the historical cost of certain movable tangible capital assets amounting to R919,27 million processed and included as part of the prior year additions as well as R486,73 million processed and included as part of the prior year disposals. In addition, I was unable to obtain sufficient appropriate audit evidence for these adjustments as the supporting information was not provided. This is in contravention with the MCS which prohibits cost adjustments for appreciation and devaluation. I was unable to confirm these adjustments by alternative means. My opinion on the movable tangible capital assets is modified because of the effect of this matter on the closing balance for the current year and corresponding year as disclosed in note 30 and 30.1, respectively.	
Qualification: Identified misstatements in the payment of salaries, housing and deprivation allowances and its possible related receivables	
First Reported in FY2023/24	
The department did not recognise compensation of employees in accordance with MCS Chapter 2, Concepts and principles. I identified misstatements in basic salaries, housing allowances and deprivation allowances. I was unable to determine the full extent of the overstatement of compensation of employees stated at R35.30 billion in note 4 and the related receivables balance stated at R1,13 billion in note 11, as it was impractical to do so.	The Chief of Human Resources issued an instruction to Services/Divisions to perform the following, which must be certified by Service/Divisional Chiefs for them to: • Confirm the actual personnel on strength in all Services/Divisions. • Ensure that allowances paid are supported by tasking orders. Perform monthly reconciliation of work attendance registers and schedule name lists to confirm the existence of employees entitled to payment of allowances and salaries. As part of the audit plans, IAD and the IG DOD will conduct audits on the payment of allowances and benefits.
Qualification: Number of vetting decisions taken in accordance with requirements, within the Defence Intelligence Programme	
First Reported in FY2022/23	
An achievement of 6 247 was reported against a target of 6 000. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.	During the execution audit phase for the performance indicator, Def Int provided feedback to the AGSA with regard to the number of vetting decisions taken in accordance with requirements. The nature of the information to be assessed is personal, which is sensitive and could violate the POPI Act. There have been various engagements between AGSA and DI regarding the matter, the latest being on 05 Nov 2024, both parties agreed that a way forward on what information AGSA can and cannot access will be provided in response to the RFI that AGSA will send. AGSA has scoped out Programme 7 on the FY2024/25 audit due to the sensitive nature of the programme and is re-evaluating the key objectives already achieved since it was scoped in.

Progress made in Resolving AGSA Audit Report Matters during FY2024/25	
FY2023/24 AGSA Audit Report Reference	Progress Made in Clearing / Resolving the Matter
Non-compliance: Annual Financial Statements, Performance and Annual Report	
First Reported in FY2018/19	
The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records as required by Section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified opinion.	FMD is dependent on inputs approved by Chiefs of Services/Divisions to be included in the Financial Statements. The bulk of misstatements identified by auditors emanated from the Asset Management and Procurement environments. The applicable directorates are being capacitated to improve the accuracy and completeness of the transactions. Disclosures and inputs received for the financial statements will now be supported with documentation.
Non-compliance: Expenditure Management	
First Reported in FY2016/17	
Effective and appropriate steps were not taken to prevent unauthorised expenditure disclosed in note 25 to the annual financial statements, as required by Section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The unauthorised expenditure was mainly due to overspending as a result of operations not being fully funded. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by Section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. As reported in the basis for the qualified opinion the Rm338, 5 million as disclosed in note 25 of the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with procurement legislation. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 25 to the annual financial statements, as required by Section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by SARS penalty costs on imported goods. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by Section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.	IE was incurred due to the Procurement Units not following procurement prescripts and legislation. The non-compliances and findings generated from the Oversight Visits are shared with the Chiefs of Services/Divisions, AGSA and Audit Committee. The latter consistently monitors the progress made wrt implementing recommendations. The evaluation process is capacitated of identifying potential incidents of collusive bidding. Procurement Entities are providing monthly feedback on progress made with audit findings. Boards of Inquiry and investigations are progressing, albeit slowly, and the resulting recommendations thereof will enable the effective management/implementation of consequence management. With regard to payments within 30 days, funds to upgrade the non-integrated financial systems have been a challenge, including the challenges around medical payments. In FY2024/25, CMIS will be working with SITA and the SAMHS to improve this environment.
Non-compliance: Asset Management	
First Reported in FY2020/21	
I was unable to obtain sufficient appropriate audit evidence that the disposal of movable assets was done in a manner most advantageous to the state, as required by Treasury Regulation 16A.7.1. I was unable to obtain sufficient appropriate audit evidence that proper control systems were in place at the department to ensure the safeguarding of assets, as required by Section 38(1)(d) of the PFMA. Preventative mechanisms were not in place to eliminate the theft and loss of assets, as required by Treasury Regulation 10.1.1 (a).	A concept structure has been developed and communication is in progress with approval authorities, Services/Divisions and NT. Logistics and Finance reconciliations are being monitored monthly. Some of the items identified by the auditors for existence have been resolved. Boards of Inquiry are in process at Unit level to finalise discrepancies and source supporting documents which could not be furnished to the auditors.

Progress made in Resolving AGSA Audit Report Matters during FY2024/25	
FY2023/24 AGSA Audit Report Reference	Progress Made in Clearing / Resolving the Matter
Non-compliance: Procurement and Contract Management	
First Reported in FY2016/17	
I was unable to obtain sufficient appropriate audit evidence that all contracts were awarded in accordance with the legislative requirements as department did not have proper record keeping in place. Similar limitations were also reported in the prior year. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with Treasury Regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021-22. Similar non-compliance was also reported in the prior year. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3. Similar non-compliance was also reported in the prior year. Procurement by other means was not provided in the SCM policy of the institution or did not cover at least the minimum requirements as required by PFMA Instruction Note 3 of 2021-22 par. 4.3 and 4.4. Deviations and procurement by other means were not provided for in the SCM policy and/or were not in line with the circumstances provided in the SCM policy under which the procurement can occur as required by PFMA instruction note no.3 of 2021-22 par. 4.3 and 4.4 (c). Some of the quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act 5 of 2000 (PPPPFA) and Preferential Procurement Regulation (PPR) 2017 and/or 2022. Similar non-compliance was also reported in the prior year. Some of the construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board and/or did not qualify for the contract in accordance with Section 18(1) of the CIDB Act and Construction Industry Development Board Regulations 17 and/or 25(7A). Similar non-compliance was also reported in the prior year. The bid documentation/ invitation to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year. I was unable to obtain sufficient appropriate audit evidence that persons in service of the department who had a private or business interest in contracts awarded by the department disclosed such interest, as required by Treasury Regulation 16A8.4 and the Public Service Regulations 18(1).	The Department, through the Governance Risk and Compliance Accountability Committee for Procurement, conducts oversight visits to Procurement Units focusing on high-risk areas and findings and the institution of corrective measures. All efforts are being made to train procurement practitioners to apply legislative policies and procedures in order to eradicate the recurrence of irregularities. To address procurement technical-related matters, the MOA with the NSG was signed by both the Acting Secretary for Defence and the NSG Principal. To date, the following entities have undertaken NSG training: CPSC; ASB KZN, and ASB Mpumalanga. Boards of Inquiry are in progress, and once finalised, the recommendations will be implemented by instituting consequence management. Checklists have been developed and provided for each adjudicating member to personally verify that the recommended bidder is tax compliant, that three quotations were obtained and if not, the reasons are justifiable and the correct calculation of preference points.

Progress made in Resolving AGSA Audit Report Matters during FY2024/25	
FY2023/24 AGSA Audit Report Reference	Progress Made in Clearing / Resolving the Matter
Non-compliance: Consequence Management	
First Reported in FY2020/21	
I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by Section 38(1)(h)(iii) of the PFMA. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by Section 38(1)(h)(iii) of the PFMA. I was unable to obtain sufficient appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by officials as required by Treasury Regulation 4.1.1.	The implementation of consequence management is in the process of being streamlined and implemented. The MOD&MV instructed that investigations into irregularities and fruitless expenditure are finalised as a matter of urgency and that recommendations made are implemented. The C SANDF and Secretary for Defence instructed all Service/Divisional Chiefs to finalise all outstanding Board of Inquiries as soon as possible. Chiefs of Services and Divisions regularly present the status on Boards of Enquiry at AMC meetings.

Internal Control Unit

The Directorate Financial Control Services (functioning as an internal control unit), under the authority of the Chief Financial Officer, executes a prominent function in terms of the facilitation of internal and external audit processes. The Unit coordinates the consolidation of action plans from Services and Divisions and ensures that it addresses the prior year's audit findings. The relevancy of action plans is measured after implementation, whereafter a review and assessment of their ability to reduce audit findings to acceptable levels is done.

This Directorate serves as the secretariat to the AMC, chaired by the Secretary for Defence as the Accounting Officer, and is attended by C SANDF and Chiefs of all Services and Divisions. Financial misconduct incidents, the monitoring of action plans, the status of cases on corruption and fraud, accountability and governance reports, and the status of audit findings and reports that affect the DOD are discussed during monthly AMC meetings. Feedback on incidents for which Chiefs of Services and Divisions are accountable is provided. This Unit also manages and chairs the Financial Misconduct Management Committee² and the State Property Loss Management Committee³, which are sub-committees of the AMC.

Through the Accountability Management Forum, Services and Division Chiefs are assisted with the development of action plans to ensure that action plans address the root causes of findings raised by AGSA and that the recommendations made by AGSA are implemented. Although the endeavour to reduce audit findings to acceptable levels is a protracted process, a concerted effort is being made towards resolving identified control weaknesses.

Financial misconduct cases (i.e. irregular, fruitless and wasteful expenditure; losses and claims) are recorded and accounted for by means of the Consolidated Control System before it is disclosed in Departmental financial records.

² Confirms irregular, fruitless and wasteful expenditure; financial misconduct cases; status of investigations into the occurrence of irregular, fruitless and wasteful expenditure, and makes submissions to the National Treasury and the Accounting Officer for condonement.

³ Manages loss of state property and claims against the Department, according to Treasury Regulations and the PFMA.

Internal Audit and Audit Committees

Internal Audit

Key Activities and Objectives

The Internal Audit Division assists the DOD in accomplishing its objectives through a systematic and disciplined approach to evaluating the effectiveness of risk, governance and control processes. In line with the PFMA and the National Treasury Internal Audit Framework, the Internal Audit Division provides independent, objective assurance and advisory services.

The Internal Audit Division had the following objectives for FY2024/25:

- Provision of internal audit assurance services with recommendations to improve and enhance DOD control systems, in compliance with the Standards for the Professional Practice of Internal Auditing (Standards) and leading practices in accordance with the approved Risk Based Internal Audit Plan to ensure achievement of DOD objectives.
- Provision of relevant advisory services intended to add value and improve DOD's operations by continuously responding to emerging risks in compliance with the Standards for the Professional Practice of Internal Auditing and leading practices per the approved Risk Based Internal Audit Plan.
- Coordinate with other internal and external providers of assurance to ensure adequate coverage of risks; minimisation of overlap and duplication of efforts; and ultimately the reduction of DOD cost of assurance.
- Coordination and facilitation of DOD Audit Committee activities according to Treasury Regulations, the Audit Committee Charter and leading governance practices and principles to ensure compliance with relevant prescripts.

Purpose and Mandate

Internal Audit assists the DOD in accomplishing its objectives by bringing a systematic, disciplined approach when evaluating and improving the effectiveness and efficiency of risk management, control and governance processes. The DOD Internal Audit is an independent, objective assurance and advisory function designed to add value and improve the organisation's operations.

Section 38(1)(a)(ii) of the PFMA provides that the Accounting Officer (Secretary for Defence) must establish an internal audit under the control and direction of the Audit Committee, complying with and operating following regulations and instructions prescribed in terms of Sections 76 and 77 of the PFMA. Internal Audit reports functionally to the DOD Audit Committee and administratively to the Accounting Officer of the DOD and has the responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all the organisation's operations.

The Chief Audit Executive has direct access to the Committee primarily through the Chairperson. The purpose, authority, and responsibility of the Internal Audit function are formally defined in the Internal Audit Charter, which is reviewed and approved by the Audit Committee and endorsed by the Accounting Officer.

Vision and Strategy

Internal audit aligned its objectives and strategy with the Adjusted DOD Strategic Plan (2020–2025) and the DOD APP for 2024, respectively. Despite the Internal Audit Division not being fully resourced, the strategy supports the requirements of services needed and their nature within applicable circumstances.

Charter, Methodology and Internal Audit Plans

The Audit Committee considered and approved the Internal Audit Charter, the Internal Audit function's Risk-Based Internal Audit Plan and the Three-Year Strategic Rolling Plan. Internal Audit executes its work according to the Internal Auditing Standards, National Treasury Internal Audit Framework and the approved methodology. Through the execution of the annual audit plan, Internal Audit assists the organisation in achieving its objectives.

Independence and Objectivity

The Audit Committee is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, mandate and authority to enable Internal Audit in discharging its duties. Furthermore, the Audit Committee oversees co-operation between the internal, external auditors and serves as a link between the Internal Audit and management of the DOD.

Internal Audit remained free from any interference from any element or official internal or external to the DOD, including on matters of audit selection, scope, procedures, frequency, timing, or report content, to permit the necessary independence and objectivity.

Internal audit had no direct operational responsibility or authority over any of the activities they audited. Accordingly, did not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

Internal Audit Modality

The Internal Audit function is staffed by permanent members employed by the DOD and not in-sourced or co-sourced.

Staffing

Internal Audit Division Posts vs Staffing Levels		
Posts	No. of Posts per Approved Structure (2008)	Staffed
Chief Audit Executive	1	0
Directors	3	1
Audit Managers	20	15
Assistant Managers	65	17
Senior Auditors	44	8
Auditors	44	7
Support Personnel	25	13
Total	202	61

Quality Assurance and Improvement Programme

The external Quality Assurance Assessment was conducted in 2022, and the assessor confirmed Internal Audit's compliance with the Institute of Internal Auditors' mandatory standards and recommended improvement on audit coverage to address the audit universe.

Stakeholder Relationships

Internal Audit maintains a relationship with all stakeholders, including assurance providers. Internal Audit also provides optimal audit coverage by considering the scope of work of the external auditors and other assurance providers. During the financial year under review, scope co-ordination meetings were held with the Defence Inspectorate Division to maximise audit coverage, minimise audit fatigue and prevent duplication of efforts.

Summary of Audit Work Done

Internal Audit's activities are measured against the approved Internal Audit Plan. The Audit Committee approved the Internal Audit Division Audit Plan for FY2024/25 on 09 May 2024. The Internal Audit Plan was approved with 36 audit projects, with an in-year revision of the Plan to 37 audit projects. The Internal Audit Division completed 100% of the planned projects for FY2024/25, in accordance with the Revised Internal Audit Plan.

The following audits were **planned and completed** during the year under review:

Planned and Completed Audits			
Audit Type	Planned	Achieved	% Achievement
Risk-Based / Assurance	25	25	100%
Cyclical / Mandatory	9	9	
Management Requests (Ad hoc)	2	2	
Follow-up (Internal Audit and AGSA Findings)	1	1	
Total	37	37	100%

Two Ad Hoc requests were received from management, and both projects were executed during FY2024/25.

Below is the **recommendations** made by Internal Audit:

Internal Audit Recommendations						
Audit Type	Planned Audits		Number of Audit Recommendations		Status of Implementation	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Risk-Based / Assurance	25	13	125	55	45	30
Cyclical / Mandatory	9	13	25	25	15	15
Management Requests (Ad hoc)	2	4	9	10	4	7
Follow-up (Internal Audit and AGSA Findings)	1	14	9	42	4	25
Total	37	44	168	132	68	77

In an endeavour to optimise **value adding** by Internal Audit, advocacy work is planned for FY2025/26 to assist the Department in enhancing internal controls.

Due to security measures associated with DOD Information Technology systems, there is a challenge/**limitation** of compatibility between *TeamMate Audit and Assurance Solution* software with Departmental systems. A solution is being sought for implementation in the new financial year.

Audit Committee

Key Activities and Objectives of the Audit Committee are discussed below.

Purpose and Mandate

The Audit Committee has been established by the Accounting Officer in terms of Section 38(1) and Section 77 of the PFMA, read with Regulation 3 of the Treasury Regulations. The Audit Committee has the authority to discharge its activities as prescribed in its formal and approved Terms of Reference (TOR).

Independence

In exercising its oversight responsibility as contained in its formal TOR, the Audit Committee ensured its independence and objectivity throughout the reporting period.

Protecting the Independence of the Internal Audit Function

The Audit Committee has established a direct reporting relationship with the Chief Audit Executive and the internal audit function to enable it to fulfil its mandate in an environment that is free from management interference to safeguard the internal audit function's independence.

Performance against Statutory Duties

The Audit Committee confirms that it has complied with its responsibilities arising from Section 38(1)(a)(ii) of the PFMA and Treasury Regulations. The Audit Committee understands and has internalised the requirements of the Global Internal Audit Standards™ in its work. The Audit Committee reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

Composition of the Audit Committee

The Audit Committee is constituted of four members, all of whom are independent non-executive members, financially literate, and not in the employ of the Department.

Meeting Attendance

All Audit Committee members attended its meetings during the year, except in cases where a formal apology was received from a member and accepted by the Chairperson.

Audit Committee Meeting Attendance								
Name	Qualifications	Professional Affiliation	Appointment: Term of Office	Number of meetings attended ⁴	Has the AC member declared private and business interests in every meeting?	Is the AC member an employee of an organ of state?	Number of other ACs that the member served on during the reporting period	Number of other governance structures the member served on during the reporting period, whether in this or any other institution(s)
Mr L.M. Mangquku (Chairperson)	CA (SA); MBL; Advanced Company Law I & II; BCom (Hons); Accounting BAccSci (Hons).	SAICA	01 Oct 2020 to 30 Jun 2025	6 Standard and 2 Ad Hoc meetings	Yes	No	7	1
Mr M. Ndlangisa	MSc Computer Science; HDip CompAud; BSc (Hons) CompSci & IS; BSc	None active	01 Oct 2020 to 30 Jun 2025	6 Standard and 2 Ad Hoc meetings	Yes	No	2	1
Adv D. Block	H.Dip. Tax Law; LLB; B.Iuris	IODSA, Legal Practice Council.	26 Sep 2023 to 30 Oct 2026	6 Standard and 2 Ad Hoc meetings	Yes	No	3	2
Brig Gen (Rtd) (Rev) M.A. Jamangile	BA (Hons) Theology	None	26 Sep 2023 to 30 Oct 2026	6 Standard and 1 Ad Hoc meeting	Yes	No	0	0

Note: The Department appointed a new DOD Audit Committee as from 01 July 2025, in effect adding three new members: Ms K.G. Mbonambi, Dr M.L. Ledwaba, and Mr A. Amod.

⁴ Standard meetings includes quarterly and special meetings.

Combined Assurance

The Audit Committee encouraged the Department to develop a combined assurance model to provide a coordinated approach to all assurance providers. The combined assurance model was approved and will be monitored for implementation in the new financial year.

Resolution of Audit Committee Recommendations

The Audit Committee tracked its resolutions for implementation quarterly. In the year under review, although some findings were resolved, a significant number of internal and external audit recommendations were unresolved as at year end. Of great concern is that the department did not prepare an effective audit action plan for findings raised by external auditors, and as a result, most findings remained unresolved. Unresolved findings will be tracked and monitored in the new financial year.

Audit Committee Performance Evaluation

The Audit Committee undertakes a 360-degree assessment of its performance at the end of each financial year, following the conclusion of the external audit. For the previous reporting period, the Committee took note and implemented the areas of improvement.

Remuneration of Audit Committee Members

Members are remunerated according to the scales contained in the South African Institute of Chartered Accountants (SAICA) rates, which is effective 01 April annually.

No persons in the employ of the Department are permitted to be appointed as members of the Audit Committee whilst persons in the employ of the public service are not remunerated. In the period under review, none of the members were employed in the public service.

Audit Committee Expenditure per Meeting for FY2024/25					
S/N	Meetings	Date	Total Hours	Rate Per Hour	Total Cost (R) (before PAYE)
01	AC Q4	09 May 2024	12	Chairperson: R2 876 3 AC Members: R2 545	34 512 91 620
02	Special AC	27 May 2024	12	Chairperson: R2 876 3 AC Members: R2 545	34 512 91 620
03	Special AC	30 Jul 2024	12	Chairperson: R2 876 3 AC Members: R2 545	34 512 91 620
04	AC Q1	04 Sep 2024	12	Chairperson: R2 876 3 AC Members: R2 545	34 512 91 620
05	AC Q2	28 Nov 2024	12	Chairperson: R2 876 3 AC Members: R2 545	34 512 91 620
06	AC Q3	27 Feb 2025	12	Chairperson: R2 876 3 AC Members: R2 545	34 512 91 620
07	Ad Hoc meeting with MOD&MV (Only 3 AC members attended)	02 Sep 2024	4	Chairperson: R2 876 AC Members: R2 545	11 504 20 360
08	Ad Hoc meeting with IG DOD	18 Sep 2024	4	Chairperson: R2 876 AC Members: R2 545	11 504 30 540
Total Expenditure					830 700

Audit Committee Report

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

Part 1: Audit Committee Reflections – 2024/25

The purpose of the Audit Committee is to provide a structured, systematic oversight role on the systems of internal control, risk management, governance, compliance, control and assurance practices across the DOD. The Audit Committee assists the Accounting Officer in the effective execution of his or her responsibilities with the ultimate aim of achieving the department's objectives without replacing any management structure, functions or responsibilities.

With the department having received a series of qualifications over the last couple of years, the Audit Committee has been focusing on monitoring management over the preparation of an effective audit action plan. The process of putting together an effective audit action plan has not been successful in the department, with various services and divisions failing to put in place appropriate responses to root causes of findings. This has been worsened by the delays in putting together the action plan, which has trapped the department in a circle of repeat findings as implementation plans are identified late into the new year.

Besides findings from the external auditors, the department does not take the findings of internal audit seriously. Services and Divisions do not track their internal audit findings and therefore do not invest in addressing root causes, resulting in lost opportunities in improving the internal control environment.

The Audit Committee has been working with internal audit to develop effective means of tracking and following up on their audit findings, and although this process is slow, it is underway. However, with management not taking the lead in addressing root causes of findings, the ineffective and inadequate control environment is likely to be a feature in the department for a while longer.

The vacancy in the Chief Audit Executive position has been very long, spanning almost a decade, and continues to subject the unit to caretaker leadership, a situation which is not healthy for an effective internal audit function. In addition, the capacity of internal audit requires thorough review and augmentation in order to allow the unit the capacity to fulfil its mandate.

Despite these challenges, the Audit Committee has a good working relationship with Internal Audit and appreciates the effort and quality work they continue to deliver, including their responsiveness to ad hoc requests.

The Audit Committee has functioned without hindrance or limitations throughout the reporting period.

Part 2: Audit Committee Composition and Meeting Attendance

The audit committee consists of four members. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened eight times during the year; four quarterly meetings, two special meetings and two ad hoc meetings (see table on page 135 for breakdown). Details of Audit Committee members and meeting attendance are set out below.

Information on Audit Committee Members				
Name	Qualifications	Is the AC member an employee of an organ of state?	Number of ordinary / quarterly meetings attended	Number of special and ad hoc meetings attended
Mr L.M. Mangquku (Chairperson)	CA (SA); MBL; Advanced Company Law I & II; BCom (Hons) Accounting; BAccSci (Hons)	No	4	4
Mr M. Ndlangisa	MSc Computer Science; HDip CompAud; BSc (Hons) CompSci & IS; BSc	No	4	4
Adv D. Block	H.Dip. Tax Law; LLB; B.Iuris	No	4	4
Brig Gen (Rtd) (Rev) M.A. Jamangile	BA (Hons) Theology	No	4	3

Part 3: Audit Committee Focus Areas

The following was reviewed during the year under review:

- Effectiveness of the Internal Control Systems**

The Internal Audit Function performed audits throughout the year under review and from the reports issued, the Audit Committee identified numerous weaknesses in the department's internal control system, most of which were recurring. Some of the internal control weaknesses identified include:

- The numerous procurement centres across the department are manned by personnel with no procurement experience, without any Supply Chain Management qualifications, lacking basic tools of trade and with no adequate capacity for proper segregation of duties;
- The Immovable Assets Register of the department is incomplete and inaccurate, with the responsible directorate inadequately capacitated and not able to deliver a credible asset register. As a result, the department's asset register is unreliable, rendering the department unable to even prevent or track lost assets;
- With procurement centres that are not adequately capacitated, there is no assurance that all irregular expenditure in the department is identified and recorded in line with applicable Regulations;

- Most fraud and corruption investigations in the department are not conducted and concluded on time, rendering consequence management in the department virtually ineffective;
- A large percentage of the department's fuel storage facilities across the country are unserviceable. This poses a serious risk to the environment and a possible exposure to litigation and financial losses, which could be material, whilst rendering the department vulnerable to major disruptions in fuel supplies for its operations.

Our overall assessment is that internal control in the department is inadequate and ineffective.

- **Effectiveness of the Internal Audit Function**

- The Internal Audit Function (IAF) is under the direction and supervision of the Audit Committee. Whilst the function is not fully capacitated with all the requisite skills, it has executed its risk-based plan as approved by the Audit Committee.
- Our assessment is that the IAF was effective in executing its responsibility however a majority of its findings were not implemented by management, undermining the overall effectiveness and impact of the function on the department's internal control environment.
- Having an acting head for internal audit for almost a decade is a serious concern and threatens the function's stability and effectiveness. As the Audit Committee, we shall continue to engage the Accounting Officer and the Executive Authority to expedite the filling of the Chief Audit Executive position in the current year.

- **Activities of the Internal Audit Function**

The IAF prepared an annual audit plan and its three-year rolling plan, which was approved by the Audit Committee. Its activities during the year were directed by the approved audit plan.

- **Effectiveness of Risk Management**

- The risk management function is fully operational and operates under the direction and guidance of an independent chairperson, who chairs its Risk Management Committee;
- As identified risks have not been mitigated since the beginning of the year, the effectiveness of the risk management function is inadequate and requires major improvement;
- The Audit Committee has also learnt that the Director Risk Management position has recently become vacant following a resignation, and therefore encourages the department to fill this important position without delay.

- **Adequacy, Reliability, and Accuracy of Financial and Performance Information**

- The work of internal audit during the year revealed some concerns with respect to financial and performance information.
- Based on the outcome of these reviews, the Audit Committee does not have the assurance that financial and performance information was always adequate, reliable and accurate during the year.

- **Accounting and Auditing Concerns Identified as a Result of Internal and External Audits**

Although the accounting and auditing concerns from external auditors will be covered in the report by the external audit, those identified by Internal Audit include:

- Unreliable Fixed Assets Register;
- Incomplete Irregular Expenditures Register;
- Work Attendance Registers approved by unauthorised persons, exposing the department to excessive Compensation of Employment spending;
- Possible understatement of contingent liabilities, due to the state of the department's fuel storage facilities.

- **Compliance with Legal and Regulatory Provisions**

The department does not have a compliance management system in place, and its compliance with legal and regulatory requirements cannot be confirmed.

- **The Quality of In-Year Management and Monthly/Quarterly Reports Submitted in terms of Legislation**

The department reported monthly and quarterly to the National Treasury as required by the PFMA.

- **Combined Assurance**

A combined assurance framework for the department has been approved and is due for implementation in the new financial year.

- **Evaluation of the Annual Financial Statements**

We reviewed the annual financial statements prepared by the department. This included:

- Reviewing and discussing with the external auditors the audited annual financial statements to be included in the Annual Integrated Report;
- Reviewing the reported performance against the predetermined objectives;
- Reviewing the external auditor's management letter and management's response thereto;
- Reviewing adjustments resulting from the audit;
- Reviewing and discussing the external auditor's report, and
- Reviewing and confirming the independence of external auditors.

The Audit Committee wishes to express concern with the prevailing vacancy in the Chief Financial Officer position in the department, which has been vacant for over two years. This concern has been raised with the Accounting Officer and the Executive Authority.

- **External Audit**

The Audit Committee reviewed and considered the following:

- External auditors' proposed audit scope, approach and audit fees for the year;
- Findings and recommendations by external auditor and management responses thereof;
- Implementation of external auditor's recommendations by management;
- The audit strategy and performance of external auditors;
- Whether there is proper coordination of audit efforts between Internal and external auditors; and
- Met separately with the external auditors to discuss any matters that the Committee or external auditors believed should be discussed privately;
- The extent of the external auditor's planned reliance on the work of Internal Audit.
- The quality and effectiveness of the audit process in terms of Treasury Regulations 27.1.8(b), and ensured that the external auditors performed the audit as planned.

- **Auditor-General's Report**

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Conclusion

On behalf of the Audit Committee, I would like to thank the Ministry, the AGSA, Senior Management and Staff for their support and efforts, our Risk Management Unit and the Internal Audit Function for their role and contribution.



LUYANDA MANGQUKU, CA(SA)
DOD AUDIT COMMITTEE CHAIRPERSON
31 July 2025

Broad-Based Black Economic Empowerment Compliance

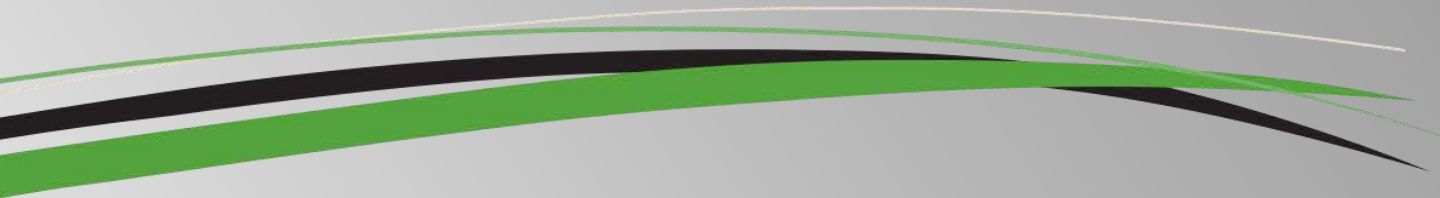
The table below provides information in accordance with the compliance with the Broad-Based Black Economic Empowerment (B-BBEE) regulations, as required by the B-BBEE Act, 2003 (Act No. 53 of 2003) and describes how the Department applied the relevant Code of Good Practice (B-BBEE Certificate Levels 1 to 8).

Broad-Based Black Economic Empowerment Compliance: FY2024/25		
Criteria	Response	Discussion
Determining qualification criteria for the issuing of Licences, concessions or other authorisation in respect of economic activity in terms of the law?	No	The function is outside the scope of the DOD.
Developing and implementing a preferential procurement policy?	Yes	The Interim Department of Defence Preferential Procurement Policy was approved on 16 Jan 2023 and implemented in the DOD with effect from 01 Apr 2023. • <i>The Public Procurement Bill was signed into law (Public Procurement Act [PPA]) on 23 Jul 2024, establishing a unified framework for procurement, including preferential procurement.</i> • <i>South Africa's procurement framework is governed by existing legislation (the Preferential Procurement Policy Framework Act) while the PPA undergoes its phased implementation, amongst others finalisation of the PPA Regulations (to be phased in during 2025).</i> • <i>Until the PPA Regulations take full effect, procurement continues under the Preferential Procurement Policy Framework Act PFMA Frameworks.</i>
Determining qualification criteria for the sale of state-owned enterprises?	No	The function is outside the scope of the DOD.
Developing criteria for entering into partnership with the private sector?	No	The DOD Policy on Alternative Service Delivery, DODI/00053/2023 (Ed 5) includes criteria for the sale of state-owned enterprises.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE ?	No	The function is outside the scope of the DOD.





Human Resource Management



Human Resource Overview

The Department of Defence (DOD) continued to deliver according to its Constitutional mandate, despite challenges experienced relevant to the annual Compensation of Employee (CoE) allocation. The Department received an adjusted CoE allocation of R35,135 billion during FY2024/25. The CoE expenditure of R37,644 billion resulted in a **shortfall of R2,509 billion**, primarily due to the CoE allocation that is below the actual Human Resources (HR) strength, together with an unbalanced funding of ordered commitments to meet increased force requirements.

The impact of the underfunded DOD CoE allocation resulted in irregular expenditure to the amount of R10,130 billion from FY2017/18 to FY2021/22; requests for condonation of irregular expenditure were not approved by the National Treasury at the time of this Report.

In an endeavour to curb increasing HR expenditure, the MOD&MV issued a Ministerial Directive on 31 March 2021, intending to implement HR cost-saving measures to reduce HR cost pressures over both the 2021/22 Medium-Term Expenditure Framework (MTEF) and the 2019–2024 Medium-Term Strategic Framework (MTSF). The DOD commenced with the implementation of these measures with effect from 01 April 2021. These interventions included, inter alia, the following:

- An average planned HR strength of 73 000 over the MTEF.
- Reduce Reserve Force mandays.
- Recruit Military Skills Development System (MSDS) intakes every alternate calendar year.
- Cap annual increases of regimental and operational allowances as well as allowances paid in lieu of scarce skills retention.
- Re-activate the implementation of exit strategies, i.e. Mobility Exit Mechanism (MEM) and Employee-Initiated Severance Package (EISP).

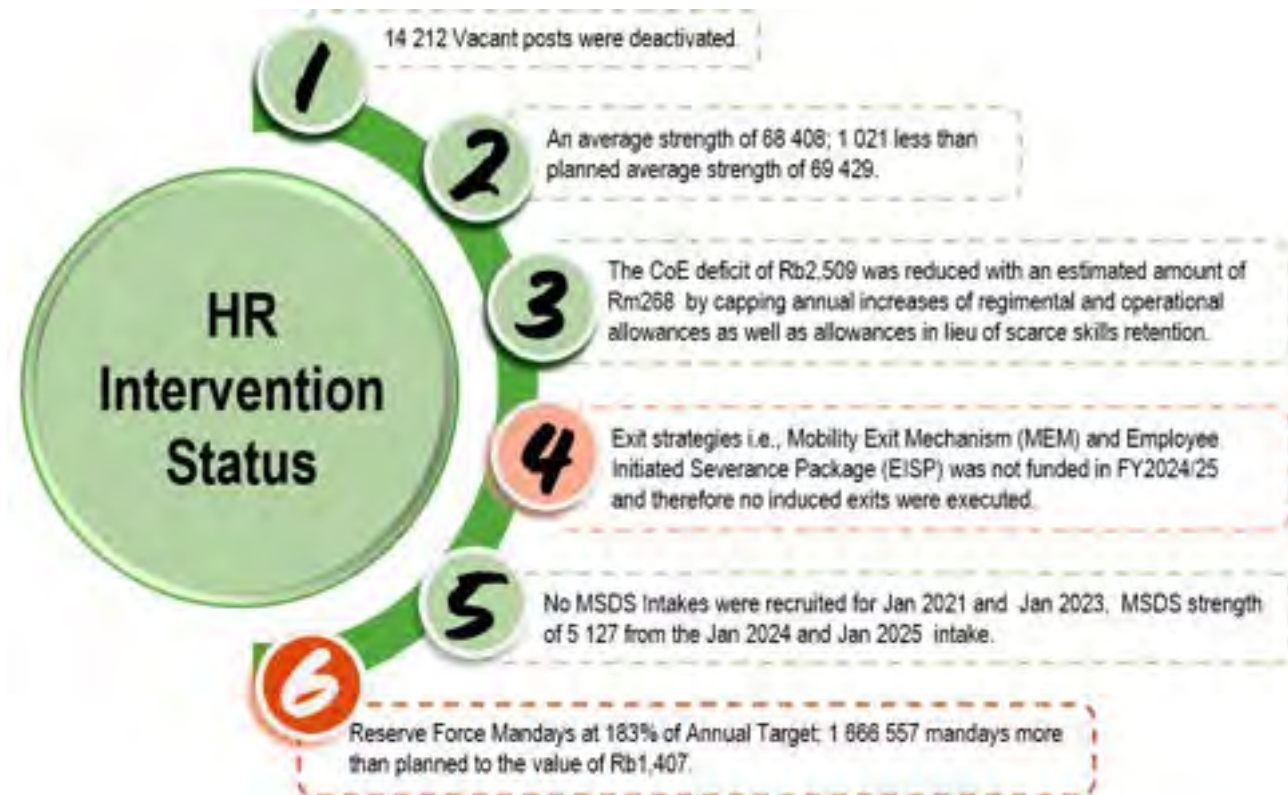
Notwithstanding these interventions, the Department was unable to address the HR deficit. Factors that contributed to the erosion of potential savings to reduce the CoE deficit, amongst others, were:

- Annualised MSDS intake in an endeavour to rejuvenate the force.
- Reserve Force mandays exceeding the planned baseline - the rapid reduction in strength created a gap in the execution of certain duties, resulting in an increased utilisation of Reserves.
- Unbalanced funding of unplanned military operations.

During FY2022/23, in order not to compromise the continued decline of DOD facilities, a decision was taken not to utilise the DOD's Operating and Capital allocations to augment the CoE shortfall. This decision resulted in overspending the appropriated votes across all programmes during FY2022/23 to FY2024/25, resulting in unauthorised expenditure¹.

¹ See Part F – Report of the Accounting Officer, pages 94 to 95 for details on unauthorised (over) expenditure.

The figure below provides a summary of the status of HR interventions as at the end of FY2024/25.



The DOD remains committed to implementing HR cost-saving measures aligned to the planned HR interventions. The course of action to implement HR reforms to curb HR costs has been greatly influenced by the demands placed on the DOD.

The Department planned for an average HR strength of 69 429 during FY2024/25. The average strength achieved at the end of FY2024/25 was 68 408², **1 021 less** than the planned strength. This deviation can mainly be ascribed to planned Public Service Act Personnel (PSAP) appointments not materialising, primarily due to cost containment measures implemented by the Department of Public Service and Administration (DPSA), in which limitations were placed on PSAP appointments.

The DOD planned to utilise 1 989 953 Reserve Force mandays in FY2024/25. Reserve Force utilisation of 3 664 429 mandays was recorded at 31 March 2025. This represents 183.4% of the annual target, **exceeding** the planned utilisation by **1 666 557 mandays** and the budget allocation by **R1,407 billion**³; mainly to augment HR capacity constraints for:

- support to current military operations;
- to meet administrative compliance obligations of the DOD; and
- to provide protection services (guards).

² Inclusive of 5 127 MSDS members.

³ Vote (R1 801 924 204) and Paid (R3 208 852 481).

Part D

Human Resource Management

The figure below provides a graphic representation of DOD strength distribution per category, as on 31 March 2025.



The DOD will continue to engage with primary stakeholders to reach a consensus on the Defence mandate and function for the RSA. Status Reports to Parliamentary oversight committees have been presented in which matters related to the CoE expenditure, force rejuvenation and HR capacity building were paramount.

Human Resource Oversight Statistics

Personnel Related Expenditure

Final audited personnel-related expenditure by programme and salary band is summarised in the following tables.⁴ It indicates the following, in particular:

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

Personnel Expenditure by Programme for the period 01 April 2024 to 31 March 2025 (Table 3.1.1)						
Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	5 836 545	2 103 522	35 103	3 192	36.04%	634
Force Employment	7 279 075	3 671 593	1 495	5 890	50.44%	1 861
Landward Defence	19 384 909	16 412 253	54 421	5 040	84.67%	467
Air Defence	6 715 706	4 425 084	29 298	468	65.89%	508
Maritime Defence	4 527 090	2 737 879	11 521	527	60.48%	480
Military Health Support	6 029 507	4 413 905	11 191	674 209	73.21%	655
Defence Intelligence	1 372 619	834 912	3 215	143	60.83%	836
General Support	6 833 004	3 045 586	16 408	35 733	44.57%	523
Total	57 978 455	37 644 734	162 652	725 202	64.93%	550

Note: Personnel expenditure includes all CoE expenses incurred (Item 10 only).

Personnel Costs by Salary Band for the period 01 April 2024 to 31 March 2025 (Table 3.1.2)				
Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)
MSDS	433 746	1.15%	3 110	139
Lower Skilled (Levels 1-2)	708 767	1.88%	3 609	196
Skilled (Levels 3-5)	14 166 439	37.63%	27 739	511
Highly Skilled Production (Levels 6-8)	12 819 725	34.06%	23 352	549
Highly Skilled Supervision (Levels 9-12)	8 503 605	22.59%	10 061	845
Senior Professionals	640 680	1.70%	285	2 248
Senior and Top Management (Levels 13-16)	371 772	0.99%	252	1 475
Total	37 644 734	100%	68 408	550

Note:

- Information on MSDS members is listed separately in the applicable tables and refers to the first career stage of the SANDF's new service system. The system serves as the entry point for most recruits who serve for two years in the Regular Force and ensures a throughput of young and fit members for operational deployment purposes.
- Employees appointed in the Occupation Specific Dispensation on salary levels 13 and higher (equivalent) are grouped as Senior Professionals.

⁴ As prescribed by the MPSA for all departments. The numbering of tables should not be changed and must be maintained according to the NT Annual Report Guide for National and Provincial Departments.

Salaries, Overtime, Homeowners Allowance and Medical Aid by Programme for the period 01 April 2024 to 31 March 2025 (Table 3.1.3)								
Programme	Salaries		Overtime		HOA		Medical Aid	
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	HOA as a % of Personnel Costs	Amount (R'000)	Medical Aid as a % of Personnel Costs
Administration	1 455 208	69.18%	7 422	0.35%	41 814	1.99%	46 351	2.20%
Force Employment	731 117	19.91%	5 440	0.15%	21 144	0.58%	9 307	0.25%
Landward Defence	10 682 755	65.09%	98 643	0.60%	382 992	2.33%	102 226	0.62%
Air Defence	3 183 413	71.94%	17 017	0.38%	98 223	2.22%	38 616	0.87%
Maritime Defence	2 008 820	73.37%	34 216	1.25%	61 668	2.25%	22 211	0.81%
Military Health Support	2 891 228	65.50%	355 951	8.06%	67 335	1.53%	36 019	0.82%
Defence Intelligence	494 838	59.27%	1 414	0.17%	12 945	1.55%	3 481	0.42%
General Support	2 058 587	67.59%	18 610	0.61%	70 350	2.31%	15 791	0.52%
Total	23 505 966	62.44%	538 713	1.43%	756 471	2.01%	274 002	0.73%

Note: The salary amount includes salaries for the Military Skills Dispensation, Contract and Session Workers.

Salaries, Overtime, Homeowners Allowance and Medical Aid by Salary Band for the period 01 April 2024 to 31 March 2025 (Table 3.1.4)								
Salary Band	Salaries		Overtime		HOA		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
MSDS	405 236	93.43%	1 732	0.40%	0	0.00%	0	0.00%
Lower Skilled (Levels 1-2)	514 012	72.52%	11 159	1.57%	56 300	7.94%	114 988	16.22%
Skilled (Levels 3-5)	7 534 689	53.19%	135 483	0.96%	283 061	2.00%	74 610	0.53%
Highly Skilled Production (Levels 6-8)	8 578 643	66.92%	162 389	1.27%	300 453	2.34%	63 592	0.50%
Highly Skilled Supervision (Levels 9-12)	5 873 738	69.07%	108 026	1.27%	116 657	1.37%	18 207	0.21%
Senior Professionals	356 749	55.68%	119 916	18.72%	0	0.00%	895	0.14%
Senior and Top Management (Levels 13-16)	242 899	65.34%	8	0.00%	0	0.00%	1 710	0.46%
Total	23 505 966	62.44%	538 713	1.43%	756 471	2.01%	274 002	0.73%

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 in the establishment, the number of employees, the vacancy rate, and whether there are any staff who are additional to the establishment.

This information is presented in terms of three key variables:

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

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

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Administration	4 771	3 388	28.99%	0
Force Employment	2 972	1 972	33.65%	0
Landward Defence	43 295	35 833	17.24%	0
Air Defence	12 664	8 892	29.79%	0
Maritime Defence	7 378	5 912	19.87%	0
Military Health Support	9 757	6 850	29.79%	0
Defence Intelligence	1 297	1 019	21.43%	0
General Support	7 964	5 889	26.05%	0
Total	90 098	69 755	22.58%	0

Note:

- The approved establishment is part of the blueprint force design, but the personnel staffing was limited to an average HR strength of 69 429 over the reporting period, with an actual end strength as on 31 March 2025 of 69 755.
- Posts refer only to approved production posts on the post establishment.
- No employees were additional to the number of posts on the approved establishment.

Salary Band	Number of Posts on Approved Establishment	Number of Employees	Vacancy Rate	Number of Employees Additional to the Establishment
Lower Skilled (Levels 1-2)	10 690	3 635	66.00%	0
Skilled (Levels 3-5)	35 825	31 905	10.94%	0
Highly Skilled Production (Levels 6-8)	27 939	23 512	15.85%	0
Highly Skilled Supervision (Levels 9-12)	14 707	10 142	31.04%	0
Senior Professionals	653	293	55.13%	0
Senior and Top Management (Levels 13-16)	284	268	5.63%	0
Total	90 098	69 755	22.58%	0

Note: There are no designated MSDS posts as MSDS members are placed in training posts at the commencement of training and are only appointed and utilised in approved production posts after being trained. A total of 5 127 MSDS members are included in the Skilled (L3-5) Salary Band.

Employment and Vacancies by Critical Occupation as on 31 March 2025 (Table 3.2.3)				
Critical Occupation	Number of Posts on Approved Establishment	Number of Employees	Vacancy Rate	Number of Employees Additional to the Establishment
Air Space Control	550	513	6.73%	0
Aircrew	612	426	30.39%	0
Anti-Aircraft	968	1 076	-11.16%	0
Artillery	1 289	1 483	-15.05%	0
Combat Navy	644	629	2.33%	0
Engineer	165	89	46.06%	0
Medical Professional	1 654	1 440	12.94%	0
Nursing	1 756	1 273	27.51%	0
Technical	8 692	6 283	27.72%	0
Total	16 330	13 212	19.09%	0

Note:

- Posts refer only to approved-production posts captured on the post establishment.
- Occupations included in the Medical Professional occupational category include Medical Practitioners, Pharmacists, Specialists and Ancillary Health.
- A number of members within the Anti-Aircraft and Artillery occupations occupy common posts, which are posts not specifically earmarked for a specific occupational group.
- A number of 646 MSDS members are under training and therefore not yet appointed in approved production posts.

Filling of Senior Management Service/System Posts

The tables in this section provide information on employment and vacancies as it relate to members of the Senior Management Service/System Posts (SMS) 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.

SMS Post Information as on 31 March 2025 (Table 3.3.1)					
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General / Head of Department	1	1	100.00%	0	0.00%
Salary Level 16	5	5	100.00%	0	0.00%
Salary Level 15	15	11	73.33%	4	26.67%
Salary Level 14	58	51	87.93%	7	12.07%
Salary Level 13	208	200	96.15%	8	3.85%
Total	287	268	93.38%	19	6.62%

SMS Post Information as on 30 September 2024 (Table 3.3.2)					
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General / Head of Department	1	1	100.00%	0	0.00%
Salary Level 16	5	5	100.00%	0	0.00%
Salary Level 15	15	9	60.00%	6	40.00%
Salary Level 14	58	50	86.21%	8	13.79%
Salary Level 13	208	173	83.17%	35	16.83%
Total	287	238	82.93%	49	17.07%

Advertising and Filling of SMS Posts for the period 01 April 2024 to 31 March 2025 (Table 3.3.3)			
SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 06 Months of Becoming Vacant	Number of Vacancies per Level Filled in 06 Months of Becoming Vacant	Number of Vacancies per Level not Filled in 06 Months but Filled in 12 Months
Director-General / Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	2
Salary Level 14	0	3	0
Salary Level 13	1	10	9
Total	1	13	11

Note:

- Vacant PSAP posts are advertised. Vacant Military posts are staffed by means of succession planning, which falls outside the prescripts of Public Service Regulations.
- Financial Authority for the afore-mentioned posts was granted.

Reasons for not having Complied with the Filling of Funded Vacant SMS Posts - Advertised within 06 Months and Filled within 12 Months after becoming Vacant for the period 01 April 2024 to 31 March 2025 (Table 3.3.4)	
Reasons for vacancies not advertised within six months	
The process of obtaining authorisation (Circular No 20 of 2024 dd 02 April 2024) from the DPSA to advertise vacancies, prolonged the advertising and filling of vacant SMS posts over the reporting period. This excludes members appointed in terms of the Defence Act in SMS posts.	
Reasons for vacancies not filled within twelve months	
The process of obtaining authorisation (Circular No 20 of 2024 dd 02 April 2024) from the DPSA to advertise vacancies, prolonged the advertising and filling of vacant SMS posts over the reporting period. This excludes members appointed in terms of the Defence Act in SMS posts.	

Disciplinary Steps Taken for not Complying with the Prescribed Timeframes for Filling SMS Posts within 12 Months for the period 01 April 2024 to 31 March 2025 (Table 3.3.5)	
Reasons for vacancies not advertised within six months	
Failure to comply with prescribed timeframes cannot be ascribed to individual actions.	
Reasons for vacancies not filled within twelve months	
Failure to comply with prescribed timeframes cannot be ascribed to individual actions.	

Job Evaluation

Within a nationally determined framework, the Executing Authority may evaluate or re-evaluate any job in the 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.

Job Evaluation by Salary Band for the period 01 April 2024 to 31 March 2025 (Table 3.4.1)							
Salary Band	Number of Posts on Approved Establishment	Number of Jobs Evaluated	% of Posts Evaluated by Salary Band	Posts Upgraded		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower Skilled (Levels 1-2)	10 690	374	58.35%	0	0.00%	0	0.00%
Skilled (Levels 3-5)	35 825	120	18.72%	0	0.00%	0	0.00%
Highly Skilled Production (Levels 6-8)	27 939	63	9.83%	0	0.00%	0	0.00%
Highly Skilled Supervision (Levels 9-12)	14 707	78	12.17%	77	12.01%	0	0.00%
Senior Professionals	653	0	0.00%	0	0.00%	0	0.00%
Senior Management Service Band A	204	1	0.16%	0	0.00%	0	0.00%
Senior Management Service Band B	61	0	0.00%	0	0.00%	0	0.00%
Senior Management Service Band C	14	5	0.78%	3	0.47%	0	0.00%
Senior Management Service Band D	3	0	0.00%	0	0.00%	0	0.00%
Minister/Deputy/Advisors	2	0	0.00%	0	0.00%	0	0.00%
Total	90 098	641	100.00%	80	12.48%	0	0.00%

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded.

Profile of Employees whose Salary Positions were Upgraded due to their Posts being Upgraded for the period 01 April 2024 to 31 March 2025 (Table 3.4.2)					
Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with Disabilities					0

Note: No employees' salary positions were upgraded due to their posts being upgraded over the reporting period.

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.

Employees with Salary Levels Higher than those Determined by Job Evaluation by Occupation for the period 01 April 2024 to 31 March 2025 (Table 3.4.3)				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
None	0	0	0	0
Total Number of Employees Whose Salaries Exceeded the Level Determined by Job Evaluation				0
Percentage of Total Employed				0.00%

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

Profile of Employees who have Salary Levels Higher than those Determined by Job Evaluation for the period 01 April 2024 to 31 March 2025 (Table 3.4.4)					
Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with Disabilities					0

Employment Changes

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

Annual Turnover Rates by Salary Band for the period 01 April 2024 to 31 March 2025 (Table 3.5.1)					
Employment Contract	Salary Band	Number of Employees at Beginning of Period 01 April 2024	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Permanent	Lower Skilled (Levels 1-2)	3 552	142	57	1.59%
	Skilled (Levels 3-5)	6 727	24	450	6.91%
	Highly Skilled Production (Levels 6-8)	9 068	37	566	6.43%
	Highly Skilled Supervision (Levels 9-12)	4 868	51	260	5.46%
	Senior Professionals	106	5	11	10.68%
	Senior Management Service Band A	150	2	15	10.45%
	Senior Management Service Band B	48	0	4	8.70%
	Senior Management Service Band C	7	0	0	0.00%
	Senior Management Service Band D	1	0	0	0.00%
	Minister/Deputy/Advisors	2	3	2	80.00%
Sub-Total Permanent		24 529	264	1 365	5.69%
Contract	MSDS	2 631	2 601	106	2.73%
	Lower Skilled (Levels 1-2)	15	0	0	0.00%
	Skilled (Levels 3-5)	21 857	263	272	1.24%
	Highly Skilled Production (Levels 6-8)	14 199	89	302	2.14%
	Highly Skilled Supervision (Levels 9-12)	5 192	75	191	3.72%
	Senior Professionals	180	0	13	7.49%
	Senior Management Service Band A	30	3	3	10.00%
	Senior Management Service Band B	5	0	1	22.22%
	Senior Management Service Band C	1	0	0	0.00%
	Senior Management Service Band D	2	0	0	0.00%
	Minister/Deputy/Advisors	0	0	0	0.00%
Sub-Total Contract		44 112	3 031	888	1.97%
Total		68 641	3 295	2 253	3.26%

Note:

- The 'Permanent' category represents employees with an employment contract period to retirement age.
- The 'Contract' category represents employees who serve for a pre-determined employment contract period.

Annual Turnover Rates by Critical Occupation for the period 01 April 2024 to 31 March 2025 (Table 3.5.2)				
Critical Occupation	Number of Employees at Beginning of Period 01 April 2024	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Air Space Control	487	25	14	2.84%
Aircrew	438	11	22	5.09%
Anti-Aircraft	1 047	47	16	1.51%
Artillery	1 451	52	17	1.16%
Combat Navy	647	0	15	2.35%
Engineer	97	0	9	9.73%
Medical Professional	1 411	161	153	10.81%
Nursing	1 261	64	54	4.27%
Technical	6 230	161	171	2.75%
Total	13 069	521	471	3.60%

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

Reasons why Staff Left the Department over the period 01 April 2024 to 31 March 2025 (Table 3.5.3)		
Termination Type	Number	% of Total
Death	316	14.03%
Resignation	649	28.81%
Expiry of Contract	250	11.10%
Discharged - Incapacity	4	0.18%
Dismiss - Misconduct	102	4.53%
Discharge due to Ill-Health	68	3.02%
Retirement	845	37.51%
Transfer to other Public Service Departments	19	0.84%
Exit Strategy – MEM/EISP	0	0.00%
Other	0	0.00%
Total Number of Employees who left as a % of the Total Employment	2 253	3.23%

Note: No exits by means of the MEM/EISP were recorded during the current reporting period.

Promotions by Critical Occupation for the period 01 April 2024 to 31 March 2025 (Table 3.5.4)					
Occupation	Number of Employees as at 01 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 Progressions as a % of Employees by Occupation
Air Space Control	487	71	14.58%	282	57.91%
Aircrew	438	74	16.89%	268	61.19%
Anti-Aircraft	1 047	90	8.60%	771	73.64%
Artillery	1 451	195	13.44%	973	67.06%
Combat Navy	647	70	10.82%	471	72.80%
Engineer	97	19	19.59%	60	61.86%
Medical Professional	1 411	266	18.85%	644	45.64%
Nursing	1 261	82	6.50%	257	20.38%
Technical	6 230	799	12.83%	4 288	68.83%
Total	13 069	1 666	12.75%	8 014	61.32%

Promotions by Salary Band for the period 01 April 2024 to 31 March 2025 (Table 3.5.5)					
Salary Band	Number of Employees 01 April 2024	Promotions to another Salary Level	Salary Band Promotions as a % of Employees by Salary Level	Progressions to Another Notch within a Salary Level	Notch Progressions as a % of Employees by Salary Band
MSDS	2 631	0	0.00%	0	0.00%
Lower Skilled (Levels 1-2)	3 567	0	0.00%	2 347	65.80%
Skilled (Levels 3-5)	28 584	2 088	7.30%	16 112	56.37%
Highly Skilled Production (Levels 6-8)	23 267	3 503	15.06%	13 977	60.07%
Highly Skilled Supervision (Levels 9-12)	10 060	1 285	12.77%	6 512	64.73%
Senior Professionals	286	52	18.18%	152	53.15%
Senior Management (Levels 13-16)	246	8	3.25%	99	40.24%
Total	68 641	6 936	10.10%	39 199	57.11%

Employment Equity

The SA Defence Review, 2015 states that *“the Defence Force will strive to be seen as a representative, equitable and gender aligned national asset”*. Positive strides have been achieved in terms of transformation, however, challenges remain in certain occupational categories.

Total Number of Employees (Including Employees with Disabilities) in each of the Following Occupational Categories as on 31 March 2025 (Table 3.6.1)									
Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	2	0	0	0	1	0	0	0	3
Professionals	869	128	51	191	956	211	85	284	2 775
Technicians and Associate Professionals	3 079	329	66	531	2 033	279	47	303	6 667
Clerks	4 723	848	90	494	4 996	790	101	788	12 830
Service and Sales Workers	18 526	2 404	198	973	6 288	1 094	62	309	29 854
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	5 059	726	137	960	1 995	240	15	122	9 254
Plant and Machine Operators and Assemblers	110	20	2	15	17	0	0	0	164
Elementary Occupations	3 890	671	50	303	2 720	430	26	118	8 208
Total	36 258	5 126	594	3 467	19 006	3 044	336	1 924	69 755
Employees with Disabilities	116	32	3	52	32	6	0	25	266

Total Number of Employees (Including Employees with Disabilities) in each of the Following Occupational Bands as on 31 March 2025 (Table 3.6.2)									
Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	13	0	0	0	4	0	0	0	17
Senior Management	153	12	7	20	42	6	5	6	251
Professionally Qualified and Experienced Specialists and Mid-Management	4 304	859	152	1 474	2 352	426	118	750	10 435
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	11 928	1 985	192	1 437	5 975	948	92	955	23 512
Semi-Skilled and Discretionary Decision Making	15 964	1 741	182	453	7 077	1 125	82	154	26 778
Unskilled and Defined Decision Making	1 399	161	3	23	1 774	231	11	33	3 635
MSDS	2 497	368	58	60	1 782	308	28	26	5 127
Total	36 258	5 126	594	3 467	19 006	3 044	336	1 924	69 755

Recruitment for the period 01 April 2024 to 31 March 2025 (Table 3.6.3)									
Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	1	0	0	0	3
Senior Management	1	0	0	0	4	0	0	0	5
Professionally Qualified and Experienced Specialists and Mid-Management	41	2	8	11	43	7	10	9	131
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	34	3	1	4	48	10	9	17	126
Semi-Skilled and Discretionary Decision Making	153	12	0	0	112	8	2	0	287
Unskilled and Defined Decision Making	49	1	0	0	87	4	0	1	142
MSDS	1 170	178	49	39	940	190	19	16	2 601
Total	1 450	196	58	54	1 235	219	40	43	3 295
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Promotions for the period 01 April 2024 to 31 March 2025 (Table 3.6.4)									
Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	6	0	0	0	0	0	0	0	6
Professionally Qualified and Experienced Specialists and Mid-Management	566	98	15	127	358	72	22	79	1 337
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	1 926	284	29	177	900	126	13	48	3 503
Semi-Skilled and Discretionary Decision Making	1 219	111	10	49	601	80	6	12	2 088
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
MSDS	0	0	0	0	0	0	0	0	0
Total	3 719	493	54	353	1 859	278	41	139	6 936
Employees with Disabilities	18	4	0	7	6	0	0	0	35

Terminations for the period 01 April 2024 to 31 March 2025 (Table 3.6.5)									
Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	16	1	1	0	3	0	1	1	23
Professionally Qualified and Experienced Specialists and Mid-Management	174	45	10	78	92	12	10	54	475
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	515	63	9	63	120	28	4	66	868
Semi-Skilled and Discretionary Decision Making	506	54	5	27	98	22	0	10	722
Unskilled and Defined Decision Making	28	6	0	0	17	4	0	2	57
MSDS	19	11	14	6	45	7	2	2	106
Total	1 259	180	39	174	376	73	17	135	2 253
Employees with Disabilities	12	1	0	5	0	0	0	4	22

Disciplinary Action for the period 01 April 2024 to 31 March 2025: Public Service Act Personnel (Table 3.6.6)									
Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	0	0	0	0	1	0	0	0	1
Verbal Warning	1	0	0	0	0	0	0	0	1
Written Warning	0	0	0	0	0	1	0	0	1
Final Written Warning	2	0	1	0	2	0	1	0	6
Case withdrawn	6	2	0	5	5	0	0	3	21
Total	9	2	1	5	8	1	1	3	30

Skills Development for the period 01 April 2024 to 31 March 2025 (Table 3.6.7)									
Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	19	0	0	2	9	1	0	3	34
Professionals	70	9	1	6	56	6	2	9	159
Technicians and Associate Professionals	49	21	5	9	49	14	2	6	155
Clerks	42	2	0	1	17	5	1	3	71
Service and Sales Workers	86	27	1	13	37	10	0	7	181
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	110	41	13	29	93	2	0	15	303
Plant and Machine Operators and Assemblers	15	0	0	0	12	0	0	0	27
Elementary Occupations	1	0	0	0	13	2	0	0	16
Total	392	100	20	60	286	40	5	43	946
Employees with Disabilities	0	0	0	1	1	0	0	0	2

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 are presented here.

Signing of Performance Agreements by SMS members as on 31 May 2024 (Table 3.7.1)				
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS members	Total Number of Signed Performance Agreements	Signed Performance Agreements as % of Total Number of SMS Members
Director General / Head of Department	1	1	0	0.00%
Salary Level 16	5	4	2	50.00%
Salary Level 15	15	8	1	12.50%
Salary Level 14	58	53	44	83.02%
Salary Level 13	208	181	155	85.64%
Total	287	247	202	81.78%

Reasons for not having Concluded Performance Agreements for all SMS Members (Table 3.7.2)	
Reasons for not having Concluded Performance Agreements for all SMS Members as on 31 March 2025	
- The target date for completion of Performance Agreements for performance cycle 2024/2025 was extended to 31 August 2024 due to the elections (DPSA Circular No: 7 of 2024 Signing of Performance Agreements). - The main reason for not concluding Performance Agreements for all SMS Members is the Non-Adherence to target dates.	

Disciplinary Steps Taken against SMS Members for not having Concluded Performance Agreements (Table 3.7.3)	
Disciplinary Steps Taken against SMS Members for Not Having Concluded Performance Agreements as on 31 March 2025	
No disciplinary steps were formalised at the time of reporting. However, the matter is being addressed by the Acting Secretary of Defence (for PSAP) and the Chief of the National Defence Force (for military personnel).	

Performance Rewards

The tables below present the payment of performance rewards in terms of the following variables:

- race and gender
- salary band
- critical occupations
- SMS

Two categories of performance rewards are applicable:

- Performance reward or bonus as described in the Incentive Policy Framework; and
- Reward for the recognition of improved qualifications.

The DPSA guideline, as stipulated in Circular No. 01 of 2019 dated 30 January 2019, confirmed that 0% of the FY2024/25 budget may be provisioned for the payment of performance rewards. No budget was therefore allocated towards the payment of performance rewards.

Payments were made to reward recognition of improved qualifications.

Performance Rewards by Race, Gender, and Disability for the period 01 April 2024 to 31 March 2025 (Table 3.8.1)					
Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees as at 01 April 2024	% of Total within Group	Cost (R'000)	Average Cost per Employee
African	102	54 165	0.19%	3 147	31
Male	34	36 019	0.09%	1 045	31
Female	68	18 146	0.37%	2 102	31
Indian	4	888	0.45%	114	29
Male	1	576	0.17%	31	31
Female	3	312	0.96%	83	28
Coloured	5	7 992	0.06%	157	31
Male	1	5 099	0.02%	33	33
Female	4	2 893	0.14%	124	31
White	10	5 596	0.18%	290	29
Male	2	3 583	0.06%	70	35
Female	8	2 013	0.40%	220	28
Total	121	68 641	0.18%	3 708	31
Employees with Disabilities	0	258	0.00%	0	0

Performance Rewards by Salary Band for Personnel below Senior Management Service for the period 01 April 2024 to 31 March 2025 (Table 3.8.2)						
Salary Band	Beneficiary Profile		Cost			Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees as at 01 April 2024	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee	
MSDS	0	2 631	0.00%	0	0	0.0000%
Lower Skilled (Levels 1-2)	0	3 567	0.00%	0	0	0.0000%
Skilled (Levels 3-5)	7	28 584	0.02%	223	32	0.0016%
Highly Skilled Production (Levels 6-8)	36	23 267	0.15%	1 107	31	0.0086%
Highly Skilled Supervision (Levels 9-12)	76	10 060	0.76%	2 315	30	0.0272%
Senior Professionals	0	286	0.00%	0	0	0.0000%
Senior management (Levels 13-16)	2	246	0.81%	63	32	0.0169%
Total	121	68 641	0.18%	3 708	31	0.0098%

Performance Rewards by Critical Occupation for the period 01 April 2024 to 31 March 2025 (Table 3.8.3)					
Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee
Air Space Control	0	487	0.00%	0	0
Aircrew	0	438	0.00%	0	0
Anti-Aircraft	0	1 047	0.00%	0	0
Artillery	0	1 451	0.00%	0	0
Combat Navy	0	647	0.00%	0	0
Engineer	0	97	0.00%	0	0
Medical Prof	14	1 411	0.99%	443	32
Nursing	40	1 261	3.17%	1 153	29
Technical	1	6 230	0.02%	33	33
Total	55	13 069	0.42%	1 629	30

Performance Related Rewards (Cash Bonus) by Salary Band for SMS for the period 01 April 2024 to 31 March 2025 (Table 3.8.4)						
Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee	
Band A	2	180	1.11%	63	32	0.03%
Band B	0	53	0.00%	0	0	0.00%
Band C	0	8	0.00%	0	0	0.00%
Band D	0	3	0.00%	0	0	0.00%
Minister / Deputy Minister	0	2	0.00%	0	0	0.00%
Total	2	246	0.81%	63	32	0.02%

Foreign Workers

The tables below summarise the employment of foreign nationals (in foreign offices/missions) by the department in terms of salary band and major occupation.

Foreign Workers by Salary Band for the period 01 April 2024 to 31 March 2025 (Table 3.9.1)						
Salary Band	01 April 2024		31 March 2025		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower Skilled (Levels 1-2)	3	8.57%	3	8.57%	0	0.00%
Skilled (Levels 3-5)	32	91.43%	32	91.43%	0	0.00%
Highly Skilled Production (Levels 6-8)	0	0.00%	0	0.00%	0	0.00%
Highly Skilled Supervision (Levels 9-12)	0	0.00%	0	0.00%	0	0.00%
Contract (Levels 9-12)	0	0.00%	0	0.00%	0	0.00%
Contract (Levels 13-16)	0	0.00%	0	0.00%	0	0.00%
Total	35	100.00%	35	100.00%	0	0.00%

Foreign Workers by Major Occupation for the period 01 April 2024 to 31 March 2025 (Table 3.9.2)						
Major Occupation	01 April 2024		31 March 2025		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Secretary	14	40.00%	14	40.00%	0	0.00%
Driver	9	25.72%	9	25.72%	0	0.00%
Driver/ Secretary	3	8.57%	3	8.57%	0	0.00%
Driver/ Messenger	4	11.43%	4	11.43%	0	0.00%
Residence Guard	3	8.57%	3	8.57%	0	0.00%
Admin clerk / Driver	2	5.71%	2	5.71%	0	0.00%
Total	35	100.00%	35	100.00%	0	0.00%

Leave Utilisation

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

Sick Leave for the period 01 January 2024 to 31 December 2024 (Table 3.10.1)						
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)
MSDS	313	100.00%	109	3.50%	3	160
Lower Skilled (Levels 1-2)	22 068	84.45%	2 680	74.26%	8	29 733
Skilled (Levels 3-5)	82 465	90.15%	12 569	45.31%	7	156 881
Highly Skilled Production (Levels 6-8)	97 331	79.72%	14 833	63.52%	7	288 080
Highly Skilled Supervision (Levels 9-12)	40 909	81.40%	6 396	63.57%	6	180 536
Senior Professionals	1 230	78.29%	165	57.89%	7	10 701
Top and Senior Management (Levels 13-16)	833	86.31%	123	48.81%	7	4 902
Total	245 149	83.98%	36 875	53.90%	7	670 993

Note: The current three-year sick leave cycle commenced on 01 Jan 2022.

Disability Leave (Temporary and Permanent) for the period 01 January 2024 to 31 December 2024 (Table 3.10.2)						
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)
MSDS	0	0.00%	0	0.00%	0	0
Lower Skilled (Levels 1-2)	6 152	100.00%	295	8.17%	21	5 481
Skilled (Levels 3-5)	34 287	100.00%	1 499	5.40%	23	91 388
Highly Skilled Production (Levels 6-8)	53 604	100.00%	2 265	9.70%	24	206 116
Highly Skilled Supervision (Levels 9-12)	20 409	100.00%	877	8.72%	23	109 522
Senior Professionals	532	100.00%	20	7.02%	27	3 565
Top and Senior Management (Levels 13-16)	359	100.00%	18	7.14%	20	1 768
Total	115 343	100.00%	4 974	7.27%	23	417 840

The table below summarises the utilisation of annual leave. Circular E1/2/2P dd 30 November 2000 is prescriptive in the management of annual leave in the DOD to prevent high levels of accrued leave from being paid at the time of termination of service.

Annual Leave for the period 01 January 2024 to 31 December 2024 (Table 3.10.3)			
Salary Band	Total Days Taken	Number of Employees using Annual Leave	Average per Employee
MSDS	18 932	2 601	7
Lower Skilled (Levels 1-2)	83 962	3 540	24
Skilled (Levels 3-5)	584 041	26 102	22
Highly Skilled Production (Levels 6-8)	585 622	22 971	25
Highly Skilled Supervision (Levels 9-12)	253 552	9 861	26
Senior Professionals	6 797	278	24
Top and Senior Management (Levels 13-16)	6 261	245	26
Total	1 539 167	65 598	22

Capped Leave for the period 01 January 2024 to 31 December 2024 (Table 3.10.4)				
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 at 31 March 2025
MSDS	0	0	0	1.0
Lower Skilled (Levels 1-2)	0	0	0	1.6
Skilled (Levels 3-5)	1 001	256	4	12.6
Highly Skilled Production (Levels 6-8)	845	234	4	14.5
Highly Skilled Supervision (Levels 9-12)	513	117	4	19.3
Senior Professionals	37	7	5	17.4
Top and Senior Management (Levels 13-16)	18	4	5	38.3
Total	2 414	618	4	13.7

The following table summarises payments made to employees.

Leave Pay-outs for the period 01 April 2024 to 31 March 2025 (Table 3.10.5)			
Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R'000)
Leave Pay-out due to non-utilisation of leave for the previous FY2023/24 cycle	0	0	0
Leave pay-outs due to discounting of leave FY2024/25 cycle	200 071	7 574	26
Leave pay-out on termination of service for FY2024/25	178 697	3 282	54
Total	378 768	10 856	35

HIV/AIDS and Health Promotion Programmes

Steps Taken to Reduce the Risk of Occupational Exposure (Table 3.11.1)	
Units/Categories of Employees Identified to be at High Risk of Contracting HIV and Related Diseases	Key Steps Taken to Reduce the Risk
Low risk: All members	The DOD has implemented comprehensive, low-risk HIV and AIDS-related prevention programmes aimed at fostering awareness and promoting health among all members of the Regular Force and Reserve Force as part of the One Force Concept. These initiatives extend to the broader DOD community, incorporating mass awareness campaigns and workplace programmes. Key elements included the following. • Health awareness, Information Education and Communication efforts through various media such as posters, pamphlets, and social media platforms like Facebook and X. Chaplain-led educational sessions, Officer Commanding communication efforts, and community activities such as health walks and sports events further enhance outreach. • The programme aligns with the Department of Health's and Director HIV/AIDS Programme calendar, recognising occasions like Condom Week, World TB Day and World AIDS Day. It integrates peer education, gender equity initiatives led by Social Work Officers, and moral and value based CHATSEC programmes conducted by Chaplains. Health promotion is emphasised before and after deployments, along with targeted interventions such as condom distribution, education on voluntary male medical circumcision, and prevention of Mother-to-Child transmission of HIV. • Training modules on HIV/AIDS are incorporated into military courses, and members undergo regular HIV counselling and testing during comprehensive health assessments. Continuous efforts include provider-initiated counselling, testing and treatment, alongside screening for TB and Sexually Transmitted Infections (STIs). • The DOD also offers sexual and reproductive health services, post-exposure prophylaxis for incidents like needle stick injuries and pre-exposure prophylaxis when appropriate. • TB prevention measures such as INH Preventive Therapy and infection control are prioritised, along with STI partner notification. Special attention is given to youth and adolescents through the MSDS HIV prevention programmes. • Additionally, integrated COVID-19 education and the Universal Test and Treat Strategy, which treats HIV as prevention, reflect the programme's dynamic and holistic approach to public health.

Steps Taken to Reduce the Risk of Occupational Exposure (Table 3.11.1)	
Units/Categories of Employees Identified to be at High Risk of Contracting HIV and Related Diseases	Key Steps Taken to Reduce the Risk
Medium risk: Members on deployment (internal to RSA) i.e. RSA border protection bases / posts and members on military courses	Building upon existing programmes, additional interventions in the DOD's HIV/AIDS prevention strategy reflect a robust and deployment-specific approach. - HIV/AIDS lectures are integrated into all military courses and Clinical Mission Readiness Courses, ensuring comprehensive education across ranks. Operational Emergency Care practitioners trained in managing HIV, AIDS, TB and STIs are deployed alongside military personnel, providing on-site expertise. Mobile clinics play a critical role in border operations, such as Op CORONA, offering HIV education and delivering antiretroviral (ARV) and TB treatments to those in need. - Pre-deployment measures include HIV training and mass awareness campaigns tailored to the provinces where members will be deployed. Comprehensive Health Assessments (CHA) are conducted before deployment to ensure members receive appropriate care, treatment, and support during their missions, reinforcing the "treatment as prevention" strategy. Health promotion programmes continue throughout deployments, addressing ongoing needs and mitigating health risks. - Specialised training modules addressing the intersection of HIV and deployment are developed to equip healthcare professionals with targeted knowledge. Moreover, all healthcare professionals supporting deployed soldiers undergo rigorous clinical training in managing HIV and TB, ensuring a high standard of care and adaptability in operational environments. These additional measures underline the DOD's commitment to safeguarding the health and readiness of its personnel in diverse and challenging conditions.
High risk: Members on deployment (external to RSA)	The DOD has prioritised targeted HIV prevention strategies to address potential vulnerabilities, and these include all other measures employed for low-risk members. - These efforts include specific programmes aimed at reducing high-risk behaviours, such as interventions to curb the abuse of alcohol and other substances. - The Resilience Programme, presented by Social Work Officers, plays a pivotal role in fostering psychological well-being and enhancing coping mechanisms among deployed personnel. - To promote a healthy and balanced lifestyle, the DOD increases the availability of sports and recreational activities during external deployments, providing constructive outlets for stress and encouraging physical fitness. Additionally, the support extended to the families of deployed members ensures a stable and supportive environment, which is crucial for the mental and emotional resilience of personnel operating in high-risk conditions.

Table 3.11.2 hereunder addresses the details of health promotion and HIV / AIDS Programmes.

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
Question	Yes	No	Details
1. Has the Department designated a member of the SMS to implement the provision contained in Part VI (e) of Chapter 1 of the Public Service Regulations 2001? If so provide her/his name and position.	x		Brig Gen B.J. Dube (with effect from October 2024) Director HIV and AIDS Programmes SANDF HIV and AIDS Programme Manager Tel: 012 367 9151

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
Question	Yes	No	Details
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		The DOD has established a comprehensive structure to promote the health and well-being of its employees, led by the Director of HIV/AIDS, who formulates strategies, policies, and plans from the Surgeon General's office. To enhance the programme's effectiveness, the Director has requested two additional staff members for monitoring and evaluation at the headquarters level. At the provincial level, Regional HIV/AIDS Programme Managers and healthcare professionals are trained in monitoring and evaluation to ensure data accuracy, while members of the Chaplain General's Office support the CHATSEC programme evaluation. Social Work Directorates oversee the monitoring of the Gender Equity and Resilience Programmes, and wellness initiatives are implemented across the nine provinces by Regional Programme Managers and within deployed regions by accompanying healthcare teams. Military Community Wellness Committees and Officers Commanding are pivotal in executing these programmes at unit levels. Primary healthcare practitioners provide preventative, curative, and rehabilitative HIV/AIDS services. While the programme is supported through the SAMHS health service delivery budget, its specific allocation for HIV/AIDS cannot be itemised, reflecting its integration within the broader organisational health framework.
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		The DOD has the constitutional duty to protect and defend the Republic, its sovereignty, integrity, national interest and people against direct threats. In view of this, the MOD&MV has delegated the management of HIV/AIDS to the Surgeon General through the C SANDF. The DOD has implemented a robust Employee Assistance and Health Promotion Programme to support its employees' health and well-being, recognising its constitutional duty to protect and defend the Republic. Managed by the Surgeon General, the programme addresses HIV/AIDS, TB, and other communicable diseases through a comprehensive plan that includes care, management, and treatment initiatives. Key elements of the programme include HIV counselling and testing, provision and distribution of male and female condoms, peer education training, and gender-based violence prevention initiatives. Additional services encompass workplace health programmes, behaviour modification interventions, post- and pre-exposure prophylaxis, prevention of opportunistic infections, and voluntary medical male circumcision. The programme leverages awareness opportunities linked to national health days and involves partnerships with NGOs. With over 111 000 members reached during health promotion campaigns, the initiative also addresses high-risk behaviours such as substance abuse and integrates COVID-19 management into its framework, highlighting its adaptability to evolving health challenges.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations 2001? If so, please provide the names of the members of the committee and the stakeholders that they represent.	x		The Comprehensive Plan for Care, Management and Treatment of HIV / AIDS in the DOD: 2017-2022 is coordinated through the Directorate HIV/AIDS Programmes in line with the National Strategic Plan for South Africa on HIV, TB and STI 2017-2022 (this 5-year strategy is under review for 2024-2029 at the National Department of Health). At Military Unit level, Military Community Wellness Committees address HIV prevention and health promotion. Additionally, the Director HIV/AIDS plays a central role in high-level decision-making forums such as the Chief Director Military Health Force Preparation Council and the Surgeon General Command and Staff Council, where HIV-related matters are standard agenda items. These committees and councils ensure a structured, inclusive, and effective approach to addressing health challenges across the SANDF.

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
Question	Yes	No	Details
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		The DOD reviewed its employment policies and practices to ensure they align with the principles of non-discrimination, particularly regarding employees' HIV status. This effort complies with the South African National Strategic Plan for HIV/AIDS/TB/STIs (2023–2028) and reflects a commitment to equitable treatment. Key documents supporting this framework include the DOD Instruction on the Management of HIV/AIDS in the DOD and the DOD Directive on the Health Classification and Deployability of SANDF Members with HIV and AIDS. Additionally, policies such as the Joint Defence Publication on Health Care Delivery, the DOD Directive and Instruction on Transformation Management, and the Operational Plan FY2019/20 for HIV/AIDS/TB/STIs underline a comprehensive approach to addressing discrimination. These policies reinforce the Department's obligation to uphold fairness and inclusivity while ensuring the operational readiness and well-being of its personnel.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		The DOD has implemented measures to protect HIV-positive employees and those perceived to be HIV-positive from discrimination, reflecting its commitment to equity, diversity and the eradication of stigma. These measures are guided by policy documents that ensure confidentiality, voluntary testing and equitable treatment. Key elements include prohibiting mandatory testing of officials and ensuring that voluntary HIV counselling and testing are conducted with written informed consent, along with pre- and post-test counselling. The DOD mandates that HIV-positive employees are treated equitably concerning employment benefits, comparable to those with other chronic or life-threatening conditions. Confidential grievance procedures and a strict emphasis on privacy further protect individuals' rights and dignity, fostering a supportive and non-discriminatory workplace environment <u>Policy Documents:</u> - No mandatory testing of PSAP officials. - Voluntary HIV counselling and testing of any official in the DOD may form part of a comprehensive health assessment as governed by the Medical Standards for the SANDF and as required by the Surgeon General in terms of Regulation 15 of the Defence Act. - HIV testing is voluntary and done with written informed consent, confidentiality and pre- and post-test counselling procedures. - Officials with HIV/AIDS may not be unfairly discriminated against in the allocation of employment benefits and are treated like any other official with a comparable life-threatening illness/chronic disease with regard to access to benefits. - Grievance procedures are confidential and do not result in the disclosure of a person's HIV status. - Respecting the privacy and confidentiality of those living with HIV is a priority.
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	x		The DOD actively promotes Voluntary Counselling and Testing (VCT) among its employees to enhance health awareness and early intervention. Uniformed members are required to participate in VCT as part of their Comprehensive and CHA, with significant results achieved during the reporting period: 12 253 tests in the SA Army, 612 in the SA Navy, 1 009 in the SA Air Force, 1 700 in the SAMHS and 888 in other sectors, totalling 16 727 tests. Additionally, the DOD supports the National Department of Health's HIV Counselling and Testing Campaign and conducts mass awareness initiatives to encourage PSAP employees to know their HIV status. These efforts aim to ensure timely access to antiretroviral treatment for those testing positive and contribute to the Department's broader health promotion and disease prevention objectives.

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
Question	Yes	No	Details
8. Has the Department developed measures /indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		The DOD has established comprehensive measures and indicators to monitor and evaluate the impact of its health promotion programmes. These include monthly mortality analyses, Knowledge, Attitude and Practice surveys, and data from the Health Informatics System for clinical data management. Programme effectiveness is further assessed through project feedback forms, care and treatment indicators, and performance reports comparing outcomes against plans. Additional oversight is achieved through Site Improvement by means of Monitoring Systems visits and Inspector General evaluations of Military Health Units. These tools ensure that all planned HIV prevention interventions and other health initiatives are tracked, providing reliable data to inform continuous improvement and strategic planning.

Labour Relations

Collective Agreements for the period 01 April 2024 to 31 March 2025 (Table 3.12.1)	
Subject Matter	Date
Total Number of Collective Agreements reached in the Departmental Bargaining Chamber	None

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

Misconduct and Disciplinary Hearings Finalised for the period 01 April 2024 to 31 March 2025: PSAP (Table 3.12.2)		
Outcomes of Disciplinary Hearings	Number	% of Total
Counselling and verbal warning	0	0.00%
Verbal warning	1	3.33%
Counselling	0	0.00%
Counselling and Final Written Warning	0	0.00%
Written Warning	1	3.34%
Final Written Warning	6	20.00%
Suspended Without Pay	0	0.00%
Fine	0	0.00%
Demotion	0	0.00%
Dismissal	1	3.33%
Not Guilty	0	0.00%
Case Withdrawn	21	70.00%
Total	30	100.00%

Part D

Human Resource Management

Types of Misconduct Addressed at Disciplinary Hearings for the period 01 April 2024 to 31 March 2025: PSAP (Table 3.12.3(a))		
Type of Misconduct	Number	% of Total
Fraud and Corruption wrt procurement internal processes	1	3.33%
Fraudulent medical certificate	1	3.33%
Fraud, Corruption and loss of State funds	4	13.33%
Theft of State rations	3	10.00%
Loss of State funds	1	3.33%
Insolent behaviour and refusal to obey a lawful instruction	1	3.33%
Absent Without Permission	4	13.33%
Consuming alcohol during working hours	1	3.33%
Insubordination	2	6.66%
Alleged assault	1	3.33%
Damage to State property	4	13.33%
Loss of State property	2	6.66%
Disrespect	1	3.33%
Failure to adhere to working hours	2	6.66%
Mismanagement of State funds	1	3.33%
Failure to carry out lawful instructions	1	3.33%
Total	30	100.00%

Grievances Lodged for the period 01 April 2024 to 31 March 2025 (Table 3.12.4)		
Grievances	Number	% of Total
Number of Grievances Resolved	544	52.31%
Number of Grievances Not Resolved	496	47.69%
Total Number of Grievances Lodged	1 040	100.00%

Disputes Lodged with Councils for the period 01 April 2024 to 31 March 2025 (Table 3.12.5)		
Disputes	Number	% of Total
Number of Disputes Upheld	3	7.32%
Number of Disputes Not Resolved	2	4.88%
Number of Disputes Settled	2	4.88%
Number of Disputes Withdrawn	13	31.70%
Number of Disputes Dismissed	10	24.39%
Number of Disputes Pending	11	26.83%
Total Number of Disputes Lodged	41	100.00%

Strike Actions for the period 01 April 2024 to 31 March 2025 (Table 3.12.6)	
Total Number of Person Working Days Lost	0
Total Cost of Working Days Lost (R'000)	0
Amount Recovered as a Result of No Work No Pay (R'000)	0

Precautionary Suspensions for the period 01 April 2024 to 31 March 2025 – Public Service Act Personnel (Table 3.12.7(a))	
Number of People Suspended	8
Number of People whose Suspensions Exceeded 30 Days	8
Average Number of Days Suspended	301
Cost of Suspensions (R'000)	4 176

Precautionary Suspensions for the period 01 April 2024 to 31 March 2025 – Military Personnel (Table 3.12.7(b))	
Number of People Suspended	69
Number of People whose Suspensions Exceeded 30 Days	69
Average Number of Days Suspended	308
Cost of Suspensions (R'000)	33 188

Skills Development

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

Training Needs Identified for the period 01 April 2024 to 31 March 2025 (Table 3.13.1)						
Occupational Category	Gender	Number of Employees as at 01 April 2024	Training Needs Identified at Start of Reporting Period			
			Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, Senior Officials and Managers	Female	1	0	70	0	70
	Male	1	0	83	0	83
Professionals	Female	1 395	0	638	0	638
	Male	1 162	0	177	0	177
Technicians and Associate Professionals	Female	2 761	0	152	0	152
	Male	4 161	0	213	0	213
Clerks	Female	6 573	0	20	0	20
	Male	6 170	0	19	0	19
Service and Sales Workers	Female	7 084	0	229	0	229
	Male	21 765	0	301	0	301
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	2 283	0	103	0	103
	Male	6 870	0	359	0	359
Plant and Machine Operators and Assemblers	Female	16	0	5	0	5
	Male	150	0	26	0	26
Elementary Occupations	Female	3 241	0	5	0	5
	Male	4 992	0	5	0	5
Other	Female	10	0	0	0	0
	Male	6	0	0	0	0
Subtotal	Female	23 364	0	1 222	0	1 222
	Male	45 277	0	1 183	0	1 183
Total		68 641	0	2 405	0	2 405

Training Provided for the period 01 April 2024 to 31 March 2025 (Table 3.13.2)						
Occupational Category	Gender	Number of Employees as at 01 April 2024	Training Provided within the Reporting Period			
			Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, Senior Officials and Managers	Female	1	0	13	0	13
	Male	1	0	21	0	21
Professionals	Female	1 395	0	73	0	73
	Male	1 162	0	86	0	86
Technicians and Associate Professionals	Female	2 761	0	71	0	71
	Male	4 161	0	84	0	84
Clerks	Female	6 573	0	26	0	26
	Male	6 170	0	45	0	45
Service and Sales Workers	Female	7 084	0	54	0	54
	Male	21 765	0	127	0	127
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	2 283	0	110	0	110
	Male	6 870	0	193	0	193
Plant and Machine Operators and Assemblers	Female	16	0	12	0	12
	Male	150	0	15	0	15
Elementary Occupations	Female	3 241	0	15	0	15
	Male	4 992	0	1	0	1
Other	Female	10	0	0	0	0
	Male	6	0	0	0	0
Subtotal	Female	23 364	0	374	0	374
	Male	45 277	0	572	0	572
Total		68 641	0	946	0	946

Injury on Duty

The following tables provide basic information on reported injury on duty.

Injury on duty for the period 01 April 2024 to 31 March 2025 (Table 3.14.1)		
Nature of Injury on Duty	Number	% of Total
Required Basic Medical Attention Only	78	13.86%
Temporary Total Disablement	417	74.07%
Permanent Disablement	57	10.12%
Fatal	11	1.95%
Total	563	100.00%

Utilisation of Consultants

The following tables relate to information on the utilisation of consultants in the DOD.

In terms of the Public Service Regulations, '*consultant*' means a natural or juristic person or a partnership who or which provides, in terms of a specific contract on an ad hoc basis, any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Report on Consultant Appointments using Appropriated Funds for the period 01 April 2024 to 31 March 2025 (Table 3.15.1(a))				
DOD Entity	Project Title / Description of Service	Total Number of Consultants that Worked on the Project	Duration (Workdays)	Contract Value in Rand
Administration				
Military Ombud	Verification of Services (Pre-employment)	1	Unknown	2 850.68
Financial Management Division	Verification of Qualifications (SAQA)	1	Unknown	59 081.55
Human Resources Division	New PILIR Contract between the DOD and SOMA Initiative (Three-year contract)	1	Unknown	859 791.60
	Verification of Qualification (SAQA)	1	Unknown	24 204.00
Defence Legal Services	Transcription Services (Defence Legal Services Division and LEGSATO's Thaba Tshwane, Polokwane, Bloemfontein and Durban)	1	5 days per week	577 005.09
	Transcription of Military Court Proceedings	1	5 days per week	285 204.00
	Court Administration for Military Courts to be reviewed	1	5 days per week	107 002.20
Chaplain General	Verification of Qualifications (SAQA)	1	Unknown	13 460.00
Ministry of Defence	SMS Assessment Services	1	Unknown	9 335.55
Defence International Affairs	Human Resource Services	1	Unknown	755.00
	Interpretation and Translation services during DEFCONs	2	2 days	473 915.00
Landward Defence				
SA Army	Verification of Qualification (SAQA)	1	Unknown	28 448.00
	Verification of Qualification (Members of SA Army Armour Formation Headquarters)	1	Unknown	1 452.00
	Verification of Qualifications and Transformation of Non-Commissioned Officers to Officers	1	Unknown	32 602.00
	Verification of Qualification (Members of SA Army Signal Formation)	1	Unknown	10 974.00
	Verification of Qualification (Members of SA Army Engineer Formation)	1	Unknown	7 811.00
	Quality Assurance services on specifications on SA Army Uniform Systems	1	Unknown	22 777.01
	Quality Assurance	1	Unknown	3 432.60
	Verification of Qualification (Members of SA Army Air Defence Artillery Formation)	1	Unknown	252.00

Part D

Human Resource Management

Report on Consultant Appointments using Appropriated Funds for the period 01 April 2024 to 31 March 2025 (Table 3.15.1(a))				
DOD Entity	Project Title / Description of Service	Total Number of Consultants that Worked on the Project	Duration (Workdays)	Contract Value in Rand
Air Defence				
SA Air Force	Verification of Qualification	1	Unknown	97 423.00
	Quality Assurance for a period of three years	1	Unknown	237 334.13
	Quality Assurance	1	Unknown	4 610.40
	Quality Assurance for Radiation of Equipment for Air Servicing Unit	1	Unknown	3 424.62
	Translation of foreign qualification	1	Unknown	19 683.00
Maritime Defence				
SA Navy	Verification of Qualification (SAQA)	1	Unknown	2 980.00
	Occupational Health and Safety Consultants	1	Unknown	1 980.00
	Occupational Health and Safety Services for Submarine Classification Support	Unknown	Unknown	1 665 704.91
	Occupational Health and Safety Services for Deep Submergence Rescue Vehicles	Unknown	Unknown	757 923.60
Military Health Support				
SAMHS	Verification of Qualifications (SAQA)	1	Unknown	76 156.00
	Human Resources Services	1	Unknown	1 960.00
	Quality Assurance (Radiation Protection Services)	1	Unknown	3 342.09
	Quality Assurance (Radiation Control for members wearing dosimeters)	1	Unknown	14 358.71
	Quality Assurance (Radiation Control for members wearing dosimeters at Area Military Health Unit Limpopo)	1	Unknown	9 171.25
	Quality Assurance (Radiation Control for members wearing dosimeters at 2 Military Hospital)	1	Unknown	7 290.51
	Quality Assurance	1	Unknown	1 705.00
	Quality Assurance (Renting of 13 dosimeters)	1	Unknown	14 124.92
	Quality Assurance (SAMHS Stepout Trouser Specifications)	1	Unknown	22 677.20
Defence Intelligence				
Defence Intelligence Division	Translation of foreign documents	1	1 day	2 562.14
General Support				
Logistics Division	Appointment of Accounting Firm to assist in preparation of Note 39 on Financial Statements wrt Immovable Assets	4	6.6 days	331 407.00
	Human Resource Services	1	Unknown	1 110.00
	Verification of Qualification (SAQA)	1	Unknown	1 785.00
CMIS Division	Interpretation services (21 st SADC Communication and Information Systems Workgroup Meeting)	1	7 days	259 670.00
Military Police Division	Verification of Qualification and translation from Reserve Force to Core Service System	1	Unknown	5 564.00
Total Paid against the Item 35 Budget on Consultants				6 064 300.76

Note: The verification of qualifications is rendered by SAQA. It is not feasible for the DOD to determine the number of consultants and working days.

Report on Consultant Appointments using Appropriated Funds for the period 01 April 2024 to 31 March 2025 (Table 3.15.1(b))			
Total Number of Projects	Total Individual Consultants	Total Duration Work Days	Total Contract Value in Rand
43	45	Unknown	6 064 300.76

Analysis of Consultant Appointments using Appropriated Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 01 April 2024 to 31 March 2025 (Table 3.15.2)			
Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Group	Number of Consultants from HDI Groups that Work on the Project
Interpretation and translation services during Defence Committee Meetings (DEFCON)	100%	100%	2
Transcription Services at Defence Legal Services Division and LEGSATOs in Thaba Tshwane, Polokwane, Bloemfontein and Durban.	51%	100%	42
Transcription of Military Court Proceedings	49%	51%	10
Court Administration for Military Courts to be reviewed	100%	100%	12
Interpretation services (21 st SADC Communication and Information Systems Workgroup Meeting)	51%	0%	8

Note: With SAQA and SABS as State Entities, the B-BBEE Score will not be applicable.

Report on Consultant Appointments using Donor Funds for the period 01 April 2024 to 31 March 2025 (Table 3.15.3(a))			
Project Title	Total Number of Consultants that Worked on Project	Duration (Work Days)	Donor and Contract Value in Rand
None	0	0	0

Analysis of Consultant Appointments using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 01 April 2024 to 31 March 2025 (Table 3.15.4)			
Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
None	0	0	0

Severance Packages

The implementation of exit strategies, i.e. MEM for military members and EISP for PSAP realised in FY2022/23 and FY2023/2024. However, no exits by means of the MEM and/or EISP were recorded during the current reporting period.

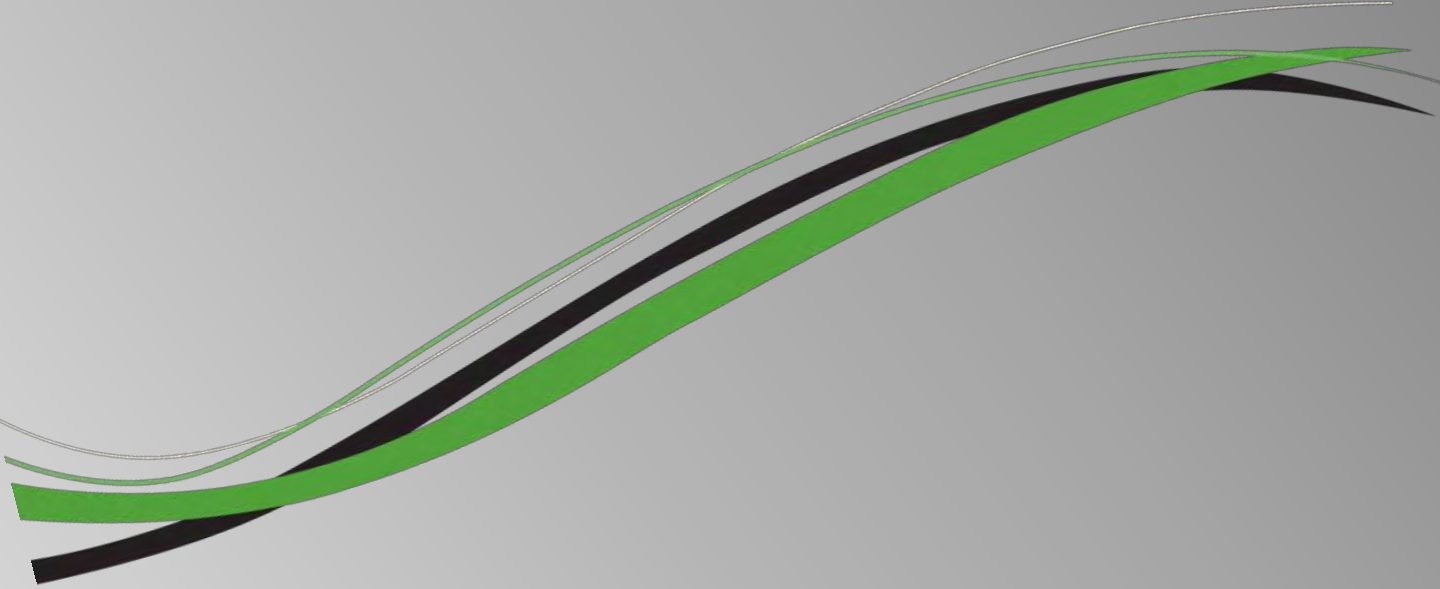
Granting of Employee-Initiated Severance Packages for the period 01 April 2024 to 31 March 2025 (Table 3.16.1)				
Salary Band	Number of Applications Received	Number of Applications Referred to the MPSA	Number of Applications Supported by MPSA	Number of Packages Approved by Department
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0
Top and Senior Management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

Granting of Mobility Exit Mechanism Packages for the period 01 April 2024 to 31 March 2025 (Table 3.16.2)				
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)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0
Senior Professionals	0	0	0	0
Senior and Top Management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

Overarching Statement Relating to Human Resource Tables

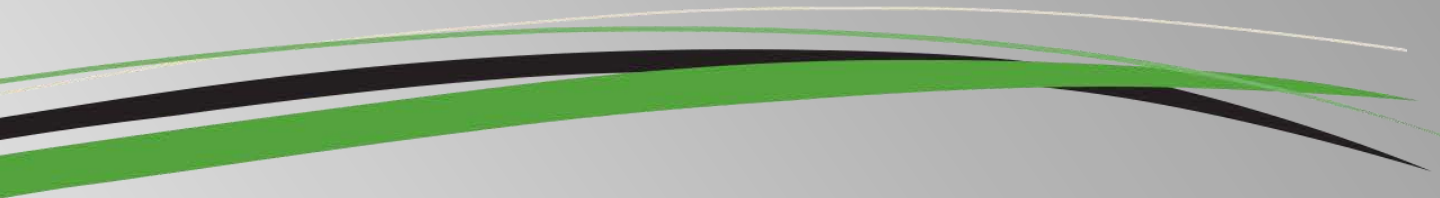
With reference to the Annual Report Guide for National and Provincial Departments, the DOD endeavoured to adhere to the format of tables as prescribed. However, due to the uniqueness of the DOD and based on paragraph 2.6 Part D: Human Resource Management, specifically paragraph 2.6.2 of the aforementioned guide, whereby the DOD is to "Include any other tables for HR if considered necessary", slight amendments were required. The data was subsequently populated in such a manner to provide a clear and logical sequence according to the tables provided.

Due to the unique dispensation of the SANDF, reported information cannot always be portrayed according to Salary Bands as prescribed by the DPSA. Provision was hence made for a differentiation which allows for separate reporting on Senior Professionals (Occupation Specific Dispensation) and MSDS where required.





PFMA Compliance Report



PFMA Compliance Report

The following tables relate to information on Irregular, Fruitless and Wasteful, Unauthorised Expenditure and Material Losses in the Department.

Irregular Expenditure

The tables below provide year-on-year details with respect to the reconciliation of Irregular Expenditure.

Reconciliation of Irregular Expenditure			
Description	FY2024/25	FY2023/24	FY2022/23
	R'000	R'000	R'000
Opening balance	16 312 146	16 564 495	15 371 593
Adjusted to opening balance	0	(277 478)	271 866
Opening balance as restated	16 312 146	16 287 017	15 643 459
Add: Irregular expenditure confirmed	123 820	386 957	921 044
Less: Irregular expenditure condoned	(22 900)	(14)	0
Less: Irregular expenditure not condoned and removed	(17 466)	(322 112)	0
Less: Irregular expenditure recoverable ¹	(2 063)	(39 702)	(8)
Less: Irregular expenditure not recovered and written off	0	0	0
Closing Balance	16 393 537	16 312 146	16 564 495

Note: Refer to Disclosure Note No. 25 in the Financial Statements on page 290 for details on Irregular expenditure Prior Year adjustments.

Reconciling Notes		
Description	FY2024/25	FY2023/24
	R'000	R'000
Irregular expenditure that was under assessment	0	1 897
Irregular expenditure that relates to the prior year and identified in the current year	0	46 572
Irregular expenditure for the current year	123 820	338 488
Total	123 820	386 957

The table below provides details of Irregular Expenditure.

Details of Irregular Expenditure		
Description	FY2024/25	FY2023/24
	R'000	R'000
Irregular expenditure under assessment	410 525	114 196
Irregular expenditure under determination	63 220	70 735
Irregular expenditure under investigation	0	0
Total	473 745	184 931

¹ Transfer to receivables.

The table below provides details of Irregular Expenditure condoned.

Irregular Expenditure Condoned		
Description	FY2024/25	FY2023/24
	R'000	R'000
Irregular expenditure condoned	22 900	14
Total	22 900	14

Note: National Treasury approved eight irregular expenditure requests for condonement.

The table below provides details of Irregular Expenditure removed (not condoned).

Irregular Expenditure Removed (Not Condoned)		
Description	FY2024/25	FY2023/24
	R'000	R'000
Irregular expenditure not condoned and removed	17 466	322 112
Total	17 466	322 112

In compliance with paragraph 5.8 of the PFMA Compliance and Reporting Framework, 13 irregular expenditure incidents, valued at R17,466 million were removed, as they were not condoned by National Treasury. The Department followed all the processes in terms of this requirement.

The table below provides details of Irregular Expenditure recoverable.

Irregular Expenditure Recoverable		
Description	FY2024/25	FY2023/24
	R'000	R'000
Irregular expenditure recoverable	2 063	39 702
Total	2 063	39 702

The table below provides details of Irregular Expenditure written off (irrecoverable).

Irregular Expenditure Written Off (Irrecoverable)		
Description	FY2024/25	FY2023/24
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

The table below provides details of non-compliance cases where the Department was involved in an inter-institutional arrangement (and not responsible for the non-compliance).

Non-Compliance Cases Where the DOD is Involved in an Inter-Institutional Arrangement and Not Responsible for the Non-Compliance	
None	
Total	

The table below provides details of irregular expenditure cases where the Department was involved in an inter-institutional arrangement (and responsible for the non-compliance).

Irregular Expenditure Cases where the DOD is Involved in an Inter-Institutional Arrangement and Responsible for the Non-Compliance		
Description	FY2024/25	FY2023/24
	R'000	R'000
None	0	0
Total	0	0

The table below provides details of disciplinary/criminal steps taken as a result of Irregular Expenditure.

Disciplinary Steps Taken
Disciplinary action by means of negative office orders was taken against 10 officials who caused irregular expenditure. No criminal action was finalised during FY2024/25.

Fruitless and Wasteful Expenditure

The tables below provide details of the reconciliation of Fruitless and Wasteful Expenditure.

Reconciliation of Fruitless and Wasteful Expenditure			
Description	FY2024/25	FY2023/24	FY2022/23
	R'000	R'000	R'000
Opening balance	492 704	441 848	439 374
Adjustment to opening balance		(13)	0
Opening balance as restated	492 704	441 835	439 374
Add: Fruitless and wasteful expenditure confirmed	29	50 920	2 597
Less: Fruitless and wasteful expenditure recoverable ²	0	(1)	(3)
Less: Fruitless and wasteful expenditure not recoverable and written off	(544)	(50)	(120)
Closing Balance	492 188	492 704	441 848

² Transfer to receivables.

Reconciling Notes		
Description	FY2024/25	FY2023/24
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		1
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year		14
Fruitless and wasteful expenditure for the current year	29	50 905
Total	29	50 920

The table below provides details of Fruitless and Wasteful Expenditure (under assessment, determination, and investigation).

Fruitless and Wasteful Expenditure (Under Assessment, Determination, and Investigation)		
Description	FY2024/25	FY2023/24
	R'000	R'000
Fruitless and wasteful expenditure under assessment	2 381	249
Fruitless and wasteful expenditure under determination	0	1 006
Fruitless and wasteful expenditure under investigation	0	0
Total	2 381	1 255

The table below provides details of Fruitless and Wasteful Expenditure recoverable.

Fruitless and Wasteful Expenditure Recoverable		
Description	FY2024/25	FY2023/24
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	1
Total	0	1

The table below provides details of Fruitless and Wasteful Expenditure not recovered and written off.

Fruitless and Wasteful Expenditure Not Recovered and Written Off		
Description	FY2024/25	FY2023/24
	R'000	R'000
Fruitless and wasteful expenditure written off	544	50
Total	544	50

The table below provides details of disciplinary/criminal steps taken as a result of Fruitless and Wasteful Expenditure.

Disciplinary Steps Taken
No disciplinary steps taken during FY2024/25.

Unauthorised Expenditure

The tables below provide details of the reconciliation of Unauthorised Expenditure.

Reconciliation of Unauthorised Expenditure		
Description	FY2024/25	FY2023/24
	R'000	R'000
Opening balance	6 461 241	2 995 137
Adjustment to opening balance	0	0
Opening balance as restated	6 461 241	2 995 137
Add: Unauthorised expenditure confirmed	2 509 406	3 466 104
Less: Unauthorised expenditure approved with funding	0	0
Less: Unauthorised expenditure approved without funding	0	0
Less: Unauthorised expenditure recoverable ³	0	0
Less: Unauthorised expenditure not recovered and written off ⁴	0	0
Closing Balance	8 970 647	6 461 241

The incurrence of unauthorised expenditure is due to the underfunding of the Compensation of Employees of the actual feet on the ground. Due to the obligation to remunerate the employees and members of the Department, the allocated budget was exceeded by R2,509 billion in the year under review.

Reconciling Notes		
Description	FY2024/25	FY2023/24
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	92 440
Unauthorised expenditure for the current year	2 509 406	3 373 664
Total	2 509 406	3 466 104

The table below provides details of Unauthorised Expenditure (under assessment, determination, and investigation).

Unauthorised Expenditure (Under Assessment, Determination, and Investigation)		
Description	FY2024/25	FY2023/24
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	0	0

³ Transfer to receivables.

⁴ This amount may only be written off against available savings.

Additional Disclosure Relating to Material Losses in Terms of PFMA Section 40(3)(b)(i) & (iii))

The table below provides details of Material Losses through criminal conduct.

Material Losses through Criminal Conduct		
Description	FY2024/25	FY2023/24
	R'000	R'000
Theft	570	632
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	570	632

The table below provides details of Other Material Losses.

Nature of Other Material Losses		
Description	FY2024/25	FY2023/24
	R'000	R'000
None	0	0
Total	0	0

The table below provides details of Other Material Losses recovered.

Nature of Losses		
Description	FY2024/25	FY2023/24
	R'000	R'000
Machinery and Equipment + Transport Asset + Specialised Military Equipment	215	442
Total	215	442

The table below provides details of Other Material Losses written off.

Nature of Losses		
Description	FY2024/25	FY2023/24
	R'000	R'000
Machinery and Equipment + Transport Asset + Specialised Military Equipment + Biological	1 811	2 649
Total	1 811	2 649

Information on Late and/or Non-Payment of Suppliers

The table below provides information on the Late and/or Non-Payment of Suppliers for the period 01 April 2024 to 31 March 2025.

Consolidated Information on the Payment of Suppliers for FY2024/25		
Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	561 088	13 380 576
Invoices paid within 30 days or agreed period	438 860	10 417 831
Invoices paid after 30 days or agreed period	108 854	2 429 084
Invoices older than 30 days or agreed period (unpaid and without dispute)	13 375	533 661
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Additional Information on the Late and/or Non-Payment of Suppliers

The Department of Defence (DOD) utilises a legacy Financial Management System (FMS), together with various non-integrated, stand-alone Logistics and Supply Chain Management (SCM) information systems.

The lack of integrated departmental information systems is regarded as the main contributing factor that adversely affects the DOD's ability to verify all legitimate invoices received for payment within the prescribed 30-day period.

A significant proportion of invoices not paid within the 30-day period relates to payment of medical invoices for outsourced services. These outsourced medical practitioners are not always registered on the Central Supplier Database, which delays the verification, capturing and payment of invoices timeously. Aforementioned accounts for 37% of invoices paid later than 30 days.

Interventions on Improving Payment of Suppliers within 30 Days

- Efforts have been put in place to enhance supplier payments in compliance with Treasury Regulation 8.2.3 despite the limitations that the DOD faces due to antiquated systems.
- Some system modifications to the current FMS have been made by creating a procedure that will allow the DOD to monitor invoices online from the time it is received until invoices are paid, in compliance with Treasury Regulation 34.
- Integrated training between Finance and SCM practitioners to improve the management of invoices and goods receipt vouchers has been implemented.

- Capacity constraints were mitigated through the use of overtime payments, detached duty of additional personnel and the utilisation of Reserve Force members. Continuous engagements took place between all stakeholders involved in the supplier payment process.
- The Department has also taken the initiative to make payments for services, such as telecommunication, AGSA services and invoices without the issuance of receipt vouchers. These interventions, together, have already yielded positive results. From March 2025, medical invoices' compliance has consistently exceeded 90%, improving from an average of 70% in the prior months. The DOD has also made progress in clearing the travel invoices backlog, by the end of March 2025, which has resulted in 61 722 invoices being cleared from the backlog.

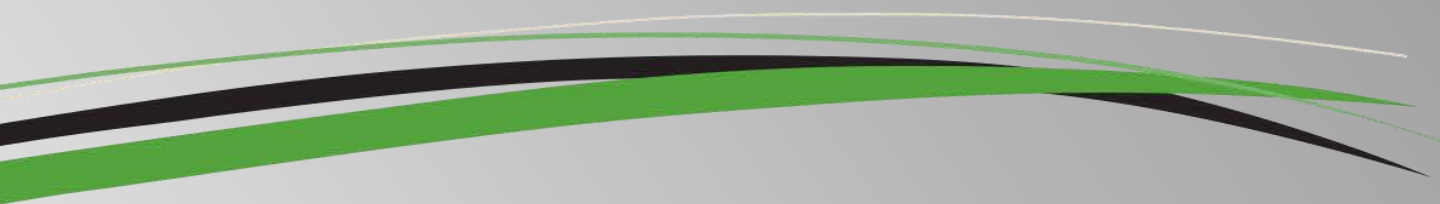
Information on Supply Chain Management

Information on Procurement by Other Means and Contract Variations and Expansions not available in the required format at the time of this Report.

The Department will endeavour to provide the required information in the prescribed formats in future Reports.



Financial Information



Report by the Accounting Officer, Dr Thobekile Gamede, for the period 01 April 2024 to 01 March 2025

Overview of the Financial Results of the Department¹

During the FY2024/25, the Department of Defence (DOD) received an adjusted appropriation of R55,484 billion, a 5.75% increase on the FY2023/24 adjusted appropriation. The DOD spent R57,978 billion (104.5%) of the appropriated amount in terms of cash-based accounting standards, exceeding the adjusted appropriation by R2,495 billion. This aggregate exceeding of the budget was due to the overspending of the Compensation of Employees (CoE) allocation and underspending of the Goods and Services budget by R14,725 million

The overspending of the appropriated CoE ceiling by R2,509 billion resulted in unauthorised expenditure, as defined in terms of Section 34 of the Public Finance Management Act (PFMA). This is mainly due to the appropriated CoE budget, which does not support the current personnel numbers of the Department, as well as increased operational requirements, which are not adequately funded. The deployment of SANDF personnel to render safety and security support services in cooperation with the South African Police Services (SAPS) to deter possible threats to critical infrastructure (ESKOM) and to combat illegal mining activities under Op PROSPER resulted in unexpected costs.

The CoE underfunding commenced during FY2017/18 and resulted in the incurrence of irregular expenditure between FY2017/18 and FY2021/22, to the value of R10,130 billion. During this period, the DOD utilised Operating and Capital budget allocations to augment the CoE shortfall. During FY2022/23, in an endeavour not to compromise the continued decline of DOD facilities, a decision was taken not to utilise Operating and Capital allocations to augment the CoE shortfall, resulting in overspending the appropriated votes across all programmes during FY2022/23 to FY2024/25.

During the year under review, numerous engagements took place among DOD top management, the Portfolio Committee on Defence and Military Veterans (PCDMV), National Treasury and the Standing Committee on Appropriations to find ways in which the National Fiscus can fund the CoE shortfall. This funding shortfall dilemma has had, and will continue to have, an impact on the DOD's ability to achieve its mandate according to the Constitution. The DOD will thus continue to incur unauthorised expenditure as defined by the PFMA, by exceeding the appropriated budget until the actual feet on the ground are funded and the ageing force rejuvenated.

At the date of this Report, the National Treasury has not expressed a willingness to condone the R10,130 billion irregular expenditure incurred.

The continued underfunding of the CoE, together with increased SANDF deployments, necessitated an enlarged Reserve Force component, which resulted in the Department exceeding the planned Reserve Force expenditure by R1,407 billion, constituting 56% of the unauthorised expenditure for FY2024/25.

¹ Refer to Part A (from page 9) and Part B (from page 35) for the 'Overview of the Operations (Non-Financial) of the Department'.

Departmental Receipts (Revenue)

The DOD have identified 75 probable revenue streams. Revenue streams are covered by numerous Departmental policies and collected through salary deductions, cash collections and bank transfers. Revenue management is decentralised to 488 Force Structure Elements (FSEs) throughout the Department.

The Financial Management System provides for all FSEs to capture their revenue budgets as part of the Medium-Term Expenditure Framework (MTEF) process evaluated by the Departmental Planning and Budget Evaluation Committee. The Ulwazi Financial reporting system has been developed to enable Budget Holders to draw reports on revenue collected within their FSEs. Revenue collected is accounted for at the point where it originated, and Budget Holders are required to compile monthly revenue reconciliation statements and confirm that all revenue due to the State has been collected or that corrective measures have been taken. The Defence Inspectorate has undertaken to audit revenue reconciliation statements.

Enhancements to systems and the appraisal of supporting policies are continuously made to improve the collection of revenue. Training and empowerment of finance functionaries and line managers are a priority and are continually provided to improve revenue management. Revenue collected has increased by 60.2% annually from previous financial years. Revenue collection has been included in the related policies to ensure that revenue due to the Department is collected. Despite progress made, more will be done to ensure a comprehensive and credible revenue management system within Defence.

The Department has submitted and received approval from National Treasury for the following revenue tariff structures:

- Hydrographic Charts and Publications
- Aircraft flights against payment tariffs
- Hiring of Defence equipment
- Hiring of Defence vehicles

During the FY2024/25, the responsible Budget Holders submitted documentation and obtained approval for the updating of the following revenue tariffs:

- Noonday gun
- Hydrographic Charts and Publications
- Aircraft flights against payment tariffs

No requests were received for the updating of the following tariffs during FY2024/25:

- Hiring of equipment
- Hiring of DOD vehicles

The Department undercollected on the following items:

- Fines, penalties and forfeits received due to a decrease in members being court-martialled and fines being imposed.
- Sale of capital assets due to less equipment sold at auctions as auctioneers have not been appointed.
- Financial transactions in assets and liabilities were due to a decrease in the expected revenue for recovery of previous year's expenditure.

The Department over-collected on the following items:

- Sale of goods and services other than capital assets due to an increase in revenue collected from services rendered to other state departments.
- Transfers received due to an increase in the United Nations (UN) reimbursements.
- Interest, dividends and rent on land were due to an increase in the interest received on the department's bank accounts.

The table below indicates DOD Sources of Revenue for FY2024/25.

Departmental Receipts / Sources of Revenue for FY2024/25						
Departmental Receipts	FY2024/25			FY2023/24		
	Estimate	Actual Amount Collected	Over/(Under) Collection	Estimate	Actual Amount Collected	Over/(Under) Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	0	0	0	0	0	0
- Casino taxes	0	0	0	0	0	0
- Horse racing taxes	0	0	0	0	0	0
- Liquor license	0	0	0	0	0	0
- Motor vehicle license	0	0	0	0	0	0
Sale of goods and services other than capital assets	504 874	533 515	28 642	480 833	570 717	89 884
Transfers received	690 758	1 411 486	720 728	657 865	583 867	(73 998)
Fine, penalties and forfeits	1 462	1 260	(202)	1 392	1 731	339
Interest, dividends and rent on land	4 795	10 386	5 592	4 567	9 454	4 887
Sale of capital assets	33 282	25 253	(8 030)	31 697	7 564	(24 133)
Financial transactions in assets and liabilities	84 143	46 180	(37 962)	80 136	92 626	12 490
Total	1 319 314	2 028 080	708 767	1 256 490	1 265 959	9 469

Departmental Expenditure

The table below indicates Actual Expenditure Trends and Adjusted Appropriation for FY2022/23 to FY2024/25.

Summary of Actual Expenditure versus Adjusted Appropriation for Current and Prior Years			
	FY2022/23	FY2023/24	FY2024/25
	R'000	R'000	R'000
Adjusted Appropriation	51 601 612	52 468 184	55 483 774
Expenditure	54 596 749	55 841 848	57 978 455
Over expenditure	2 995 137	3 373 664	2 494 681
Amount overspent as percentage of Adjusted Appropriation	5.804%	6.43%	4.496%
Amount surrendered	0	0	0
Amount surrendered as percentage of Adjusted Appropriation	0	0	0

Earmarked Funds to the value of R1,1 billion were included in the Appropriation for FY2024/25. These funds were approved and earmarked by the National Treasury for specific, critical mandate-driven projects.

The table below indicates the Earmarked Funds Received for the General Defence Account during FY2024/25.

Earmarked Funds Received for the Period 01 April 2024 to 31 March 2025			
Earmarked Funds	Amount Received	Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000
Chief Logistics: Day-to-day maintenance and emergency repairs	98 914	98 914	0
Chief Joint Operations: 2024 General Elections Deployment	60 000	50 359	9 641
Total	158 914	149 273	9 641

The table below denotes the Earmarked Funds Received and managed through the Special Defence Account (SDA) during FY2024/25.

Earmarked Funds Received for the Period 01 April 2024 to 31 March 2025			
Earmarked Funds	Amount Received	Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000
SA Army: Procurement of vehicles and technology for border safeguarding	500 000	0	500 000
SA Navy: Repair and Maintenance of Navy Defence Systems	441 000	0	441 000
Total	941 000	0	941 000

Note:

- Amounts received for the procurement of vehicles and technology for border safeguarding and the Repair and Maintenance of Naval Defence Systems were paid into the SDA.
- At the end of FY2024/25, unspent funds remained in the SDA Reserve, aligned to the SDA Act, Act No. 06 of 1974, to defray expenditure for multi-year contracts.

Actual Expenditure versus the Adjusted Appropriation for FY2024/25 at Programme level is indicated in the table below.

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years at Programme Level						
Programme	FY2024/25			FY2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	5 844 887	5 836 545	8 342	5 439 742	5 369 316	70 426
Force Employment	7 186 170	7 279 075	(92 905)	4 995 796	5 308 000	(312 204)
Landward Defence	17 491 818	19 384 909	(1 893 091)	16 735 941	18 902 468	(2 166 527)
Air Defence	6 597 269	6 715 706	(118 437)	7 431 228	7 770 383	(339 155)
Maritime Defence	4 460 364	4 527 090	(66 726)	4 180 103	4 377 304	(197 201)
Military Health Support	5 854 236	6 029 507	(175 271)	5 802 042	6 032 314	(230 272)
Defence Intelligence	1 209 643	1 372 619	(162 976)	1 076 431	1 183 882	(107 451)
General Support	6 839 387	6 833 004	6 383	6 806 901	6 898 181	(91 280)
Total	55 483 774	57 978 455	(2 494 681)	52 468 184	55 841 848	(3 373 664)

The table below reflects the Actual Expenses versus Adjusted Appropriation for the Current and Prior Year per Economic Classification.

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years per Economic Classification						
Programme Name	FY2024/25			FY2023/24		
	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
Compensation of Employees	35 135 328	37 644 734	(2 509 406)	31 829 334	35 295 439	(3 466 105)
Goods and Services	13 577 267	13 562 542	14 725	12 096 690	12 005 376	91 314
Transfers and Subsidies	5 781 779	5 781 779	0	7 452 497	7 451 370	1 127
Payments for Capital Assets	979 777	979 777	0	1 085 195	1 085 195	0
Payments for Financial Assets	9 623	9 623	0	4 468	4 468	0
Total	55 483 774	57 978 455	(2 494 681)	52 468 184	55 841 848	(3 373 664)

Reasons for Under/Over Expenditure

The net overspending of R2,495 billion across all programmes mainly consisted of the following over/under expenditure:

Over Expenditure

The over expenditure of R2,509 billion can be attributed to:

- **Compensation of Employees.** Overspending across most Programmes was mainly due to the CoE ceiling, which does not support the current actual personnel numbers of the Department as well as operational requirements of the DOD, which are not adequately funded.

- Other factors influencing CoE expenditure for FY2024/25 were:
 - The deployment of SANDF personnel to render safety and security support services in cooperation with the SAPS to deter possible threats to critical infrastructure (ESKOM) and to combat illegal mining activities under Op PROSPER contributed to unexpected costs.
 - The utilisation of Reserve Forces surpassed the planned mandays, driven by an increased capacity required to support ongoing military operations and provide protection services to military installations.

Under Expenditure

- **Goods and Services.** The under-expenditure of R14,725 million was mainly due to:
 - **Military Ombud.** The Military Ombud within the Legal Services Subprogramme underspent their operational budget allocation by R8,342 million due to several factors, such as the moratorium on staffing, which resulted in unspent funds for advertising of posts. Delays in delivery notes prevented payment for corporate gifts and planned media advertisements that did not materialise. Provisions for the review of the Military Ombud Act and a business case study by the Government Technical Advisory Centre were not utilised, awaiting direction from the Minister. Additionally, a research project on public perception could not proceed due to scheduling conflicts with the University of Stellenbosch. Reduced uptake in skills training and cost savings from the annual symposium also contributed to the overall under-expenditure.
 - **General Support.** The provision for the payment of the State Attorney was not fully utilised due to fewer legal cases requiring external counsel than initially anticipated. This resulted in a saving of R6,383 million.

Additions to Main Appropriation

The effect of the Adjusted Appropriation for Defence was an increase of R3,673 billion to R55,484 billion. The amount was made up as follows:

- R2,1 billion increase for the deployment of the SANDF to the Southern African Development Community Mission in the Democratic Republic of Congo (SAMIDRC) through Op THIBA.
- R750 million increase for the deployment of the DOD to the Southern African Development Community Mission in Mozambique (SAMIM) through Op VIKELA in order to combat acts of terrorism and violent extremists in affected areas.
- R745,736 million increase for revenue, which was generated from reimbursements from the UN and African Union (AU) for South Africa's contribution to peace support operations and the sale of equipment and spares procured through the SDA. The amount was returned to the Vote from the National Revenue Fund and will be used to cover the operational costs related to the department's participation in the peacekeeping mission in the Democratic Republic of the Congo, as well as critical elements of the 2015 SA Defence Review.
- R77,685 million increase for the roll-over from the previous financial year, as approved by the National Treasury, for the payment of accommodation charges, as well as rates and taxes.

Virements and/or Shifts within the Vote

The following virements and/or shifts were addressed after the Adjustments Estimate of Expenditure process:

Approved by the National Treasury

- R755,005 million was reallocated within the Force Employment Programme in order to meet the obligation towards SADC for the Member State contributions pertaining to SAMIDRC and SAMIM for FY2024/25.
- R449,454 million was reallocated to Current Transfers and Subsidies: Households (Social Benefits) through reprioritisation within the Goods and Services' baseline for the payment of outstanding Government Employees Pension Fund liabilities and departmental benefits for officials exiting the Department.
- R429,500 million was reallocated between the General Support and Administration Programmes to earmarked funds pertaining to the devolution of funds from the Department of Public Works and Infrastructure. It was necessary in order to augment the shortfall in the lease portfolio to ensure that the Department would settle all valid invoices and claims.
- R8,861 million was reallocated to cover the cost of claims against the State. Claims against the State are classified in terms of the Standard Chart of Accounts as Transfer Payments; however, it should be noted that the Department does not budget for claims during the MTEF process.

Approved by the Accounting Officer

The reallocation of funds between Programmes within the Defence Budget was executed in order to defray expenditure in respect of authorised losses, payments for Capital Assets, as well as for Goods and Services, to balance the expenditure for the FY2024/25.

- R7,373 million was reallocated to Transfer Payments (Departmental Agencies and Accounts) from savings within the Administration Programme in order to fund the shortfall of the State and Security Sector Education and Training Authority.
- R746,736 million was reallocated from Transfer Payments: Departmental Agencies and Accounts (SDA) for the following:
 - Transfers to Foreign Governments and International Organisations. As advised by National Treasury, an amount of R737,118 million was reallocated from the SDA to offset the expenditure pertaining to SADC assessed members' contribution against the funds allocated for self-financing in the Adjusted Estimates of Expenditure (AENE).
 - Landward Defence Programme. An amount of R231,795 million was reallocated from the SDA within the Landward Defence Programme to defray expenditure in respect of Goods and Services, Payments for Capital Assets, as well as Payments for Financial Assets (write-offs).
 - General Support Programme. R223,177 million was reallocated within the General Support Account to the SDA to modernise and sustain identified prime mission equipment that enables operational execution.

- The reallocation of funds between Programmes within the Defence Budget was executed in order to defray expenditure in respect of authorised losses, Payments for Capital Assets as well as Goods and Services, to balance the expenditure for the FY2024/25.

Roll-Overs

The Department submitted a roll-over request for R77,685 million for the payment of accommodation charges as well as rates and taxes, which was approved by National Treasury as per the 2024 AENE allocation letter dated 22 October 2024.

Donor Funds

The DOD did not receive any donor funds from external sources during the period 01 April 2024 to 31 March 2025.

Aid Assistance

The DOD did not receive any aid assistance² from any external sources during the period 01 April 2024 to 31 March 2025.

Irregular, Unauthorised, Fruitless and Wasteful Expenditure

Irregular expenditure amounting to R124 million was incurred during the year under review, and the biggest contributors are categorised as follows:

- R62 million was incurred on a contract awarded for three years in FY2021/22 for an alternative payment solution for aircraft fuel and airport services when the winning bidder did not comply with the mandatory requirements of the bid.
- R33 million was incurred when the Department procured Goods and Services without following the South African Procurement Legislation.
- R12,6 million was incurred when the Department did not comply with the procurement process within the sensitive projects environment.
- R6 million was incurred in six instances where the Department procured goods and services by means of an unfair bidding process.
- R3,7 million was incurred when the Department deviated from the quotation rule and did not obtain at least three quotations for 13 transactions.
- R1,6 million was incurred in two instances where officials were not delegated to contract on behalf of the department.

² According to the MCS, aid assistance comprises amounts received from local or international donors and also includes CARA Fund Assistance, specifically appropriated from the CARA.

- R1,5 million was incurred where six awards were approved by a committee not correctly constituted.
- R712 000 was incurred when the Department did not comply with Construction Industry Development Board regulations for three transactions.
- R600 000 was incurred in three instances where the Department did not comply with the Preference Procurement Regulations.
- R600 000 was incurred in three instances when procuring without a valid contract or outside an RT³ contract in which the Department is participating.
- R341 000 was incurred when a contract was extended by more than 15%.
- R177 000 was incurred when the Department did not comply with the cost containment measures.
- R141 000 was incurred when the Department did not comply with legislation dealing with the appointment of eight Reserve Force members.

The Department is committed to addressing the irregularities to ensure irregular expenditure is identified and fully disclosed. The Internal Audit Division conducted a follow-up audit on all Auditor-General of South Africa findings to test the full population for similar irregularities to ensure that all irregular expenditure detected is disclosed.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure of R29 000 was incurred during the year under review, and the contributors are categorised as follows:

- R17 000 was paid for transactional charges and cash deposit fees paid for an incorrect cash withdrawal;
- R12 000 was paid for two missed return flight tickets.

The following management interventions were instituted to reduce irregular, fruitless and wasteful expenditure:

- The management of irregular, fruitless and wasteful expenditure was communicated at the monthly Accountability Management Committee, chaired by the Accounting Officer;
- Intervention sessions were continuously held with Services and Divisions in order to mitigate the occurrence and recurrence of irregular, fruitless and wasteful expenditure;
- The Defence Matériel Division Governance, Risk and Compliance unit visited all the major procurement centres and identified areas where irregular expenditure could surface. Those findings were then addressed by means of training by the Procurement Management Directorate. The training of procurement officials is an ongoing matter to ensure that

³ Transversal contract facilitated by NT.

procurement officials are aware of all procurement legislation and that instructions are correctly interpreted; and

- Recommendations are implemented gradually at procurement units.

Unauthorised Expenditure

Due to the underfunding of the CoE allocation ceiling appropriated, the DOD incurred unauthorised expenditure amounting to R2,509 billion due to overspending the adjusted appropriated vote as defined in terms of Section 34 of the PFMA.

Public and/or Private Partnerships

The DOD did not enter into any public/private partnerships during FY2024/25.

Discontinued Activities / Activities to be Discontinued

The DOD did not discontinue activities during the period under review.

New and/or Proposed Activities

No new activities were established during the period under review.

Supply Chain Management

Unsolicited Bid Proposals Concluded for the Year under Review

No unsolicited bids were concluded for the period under review.

Supply Chain Management Processes and Systems in Place to Prevent Irregular Expenditure

To ensure compliance with norms and standards as provided for by National Treasury through various PFMA Supply Chain Management instructions and practice notes, the DOD issued implementation instructions for dissemination to all procurement entities. Oversight visits were undertaken at various procurement entities in all provinces to enhance levels of compliance awareness and assist with corrective measures to address potential irregularities.

Feedback from the oversight visit initiative was reported to most of the key stakeholders, including the Audit Committee. With regard to procurement units with delegations and where high levels of non-compliance were observed, the procurement delegation issued by the Accounting Officer was either frozen or withdrawn.

Where delegations were frozen or withdrawn, affected members were sent to one of the best practice standard procurement entities to experience on-the-job training, and at the end of this training, they were given a 'dummy file' as a standard operating tool.

Officers Commanding and General Officers Commanding Seminars were held and well attended at the appropriate level. Attendees were provided with a reference book as a quick implementation guide.

Online training was arranged with the Construction Industry Development Board; however, this training was deemed to be inadequate, as challenges continued to be experienced.

Efforts were made to ensure that Boards of Inquiry were finalised timeously to ensure that consequence management is implemented as a deterrent.

Procurement officials have been encouraged to do self-assessments on their files for early detection of errors and self-correction.

Additional emphasis was placed on capacity building and training, improving contract management, proper document management and improving supplier management, applying restrictions on suppliers where supplier non-performance or any other related challenges were detected.

Challenges Experienced in Supply Chain Management and How They Were Resolved

In-post training incorporated the challenge detected relevant to the application of the Specific Goals.

The understanding of Procurement by Other Means and its application presented challenges, especially when it came to market analysis; appropriate support was provided in this regard.

The disclosure of irregularities at the appropriate level has been noted, and a focus has been directed towards correcting disclosures.

In an endeavour to assist in identifying procurement-related risks and the corresponding mitigating actions, the Department participated in the National Treasury Compliance, Risk Management and Monitoring pilot project. In addition, the Bid Adjudication Support tool was developed for members to individually formalise their observations to improve informed decision-making and bid committee members' accountability.

An instruction on monthly returns for all regulatory reports has been disseminated to all procurement entities to improve the quality of reports and compliance with prescripts.

Procurement Deviations Received from National Treasury

The Department did not receive any procurement-related deviations from National Treasury during the reporting period.

Gifts and Donations Received in Kind from Non-Related Parties

No foreign aid was rendered or received for larger DOD projects and programmes during the year under review.

The DOD did not receive any donor funds from external sources for operations during the financial year under review.

Financial Reporting Requirement Exemptions and Deviations Received from National Treasury

The DOD did not request or receive any financial reporting exemptions or deviations from National Treasury.

General Comments

Events After the Reporting Date

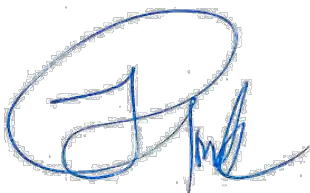
The President has signed a Proclamation in terms of Section 97 of the Constitution to transfer the administration, powers and functions of DENEL SOC Ltd to the Minister of Defence and Military Veterans (MOD&MV); the entity has commenced reporting to the MOD&MV with effect from 01 April 2025 as per Presidential Proclamation. There were no financial transactions for the period under review.

Condonements Awaiting Approval from National Treasury

For the year under review, 17 requests for condonement were submitted to National Treasury, all of which have been resolved. No condonements have been awaiting approval from National Treasury at the time of reporting.

Approval

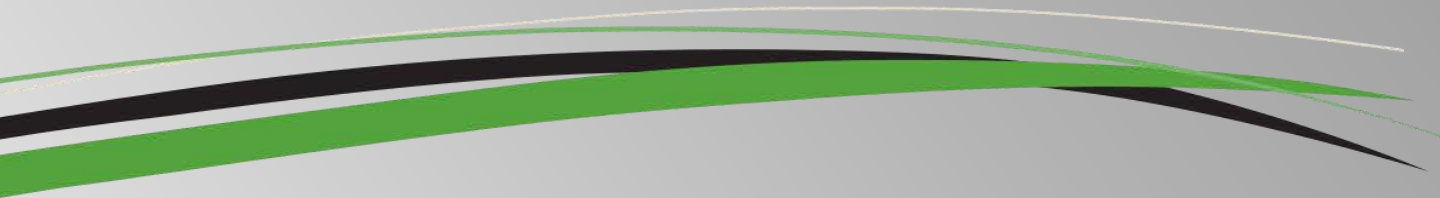
I hereby submit the attached DOD Annual Financial Statements for your attention.

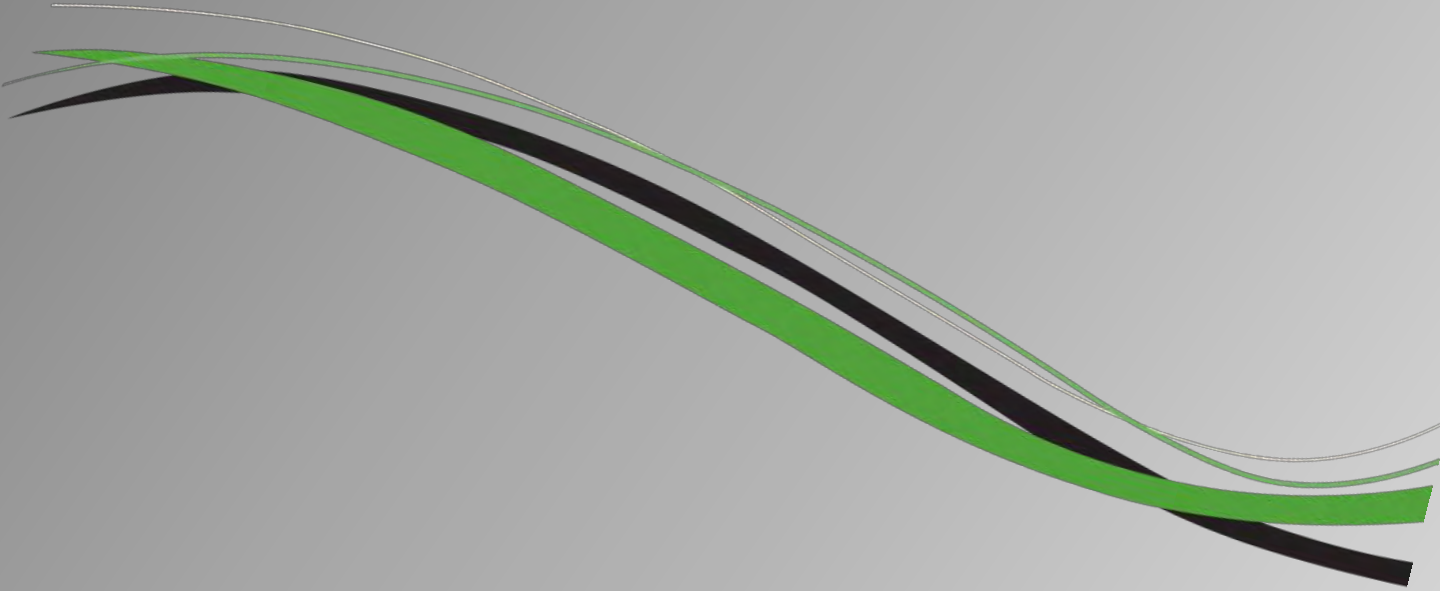


DR THOBEKILE GAMEDE
ACTING SECRETARY FOR DEFENCE

Department of Defence

Vote 23





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Report of the auditor-general to Parliament on vote no. 23: Department of Defence

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Defence set out on pages 228 to 304, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters as described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Defence 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) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Goods and services and investments

3. The department accounts for non-sensitive and sensitive projects expenditure in connection with the special defence activities as per section 2(2)(a) of the Defence Special Account Act 6 of 1974, as amended. I was unable to obtain sufficient appropriate audit evidence on the sensitive projects' expenditure and related investments due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. I was unable to confirm goods and services and investments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included in the expenditure of R16,64 billion (2024: R14,18 billion), as per note 5 to the financial statements, and investments for special defence activities included in the investment amount of R179,16 million (2024: R179,16 million), as per note 12 to the financial statements.

Movable tangible capital assets

4. Not all recorded movable tangible capital assets could be identified during the physical asset verification process as the department could not indicate where these assets are located nor provide other information relating to their location. Furthermore, the department could not provide sufficient appropriate audit evidence that management had properly accounted for some specialised military assets amounting to R4,34 billion (2024: R4,04 billion) that are not accounted for in the normal asset management system, due to non-submission of registers in support of these assets. I was unable to confirm or verify these assets by alternative means. Consequently,

I was unable to determine whether any adjustments were necessary to movable tangible capital assets stated at R68,95 billion (2024: R67,11 billion) in note 30 to the financial statements.

5. The department did not recognise all items of movable tangible capital assets in accordance with MCS chapter 11, *Capital assets*. I identified items of movable tangible capital assets belonging to the department that were not included in the underlying accounting records as controls were not established to ensure that all assets are recorded on the asset registers. Consequently, I was unable to determine the full extent of the understatement of movable tangible capital assets stated at R68,95 billion (2024: R67,11 billion) in note 30 to the financial statements, as it was impracticable to do so.
6. The department did not recognise all movable tangible capital assets and minor assets at cost in accordance with MCS chapter 11, *Capital assets*. I identified a significant number of assets acquired after 1 April 2002 that were recorded at either R1 or R0, as documentation to establish the cost is not available. This is in contravention of the MCS, which allows R1 values to be assigned only to those assets acquired prior to 1 April 2002. Consequently, I was unable to determine the full extent of the understatement of movable tangible capital assets stated at R68,95 billion (2024: R67,11 billion) in note 30 to the financial statements and minor assets stated at R464 million in note 30.2, as it was impracticable to do so.
7. The department did not comply with the MCS in ensuring that all movable tangible capital assets remain at historical cost in accordance with MCS chapter 11, *Capital assets*. The department made adjustments to the current and prior years' additions and disposals in contravention of the MCS, which prohibits cost adjustments for appreciation and devaluation. In addition, I was unable to obtain sufficient audit evidence for these adjustments on the additions and disposals in the current and prior years, thus impacting on the closing balance of movable tangible capital assets stated at R68,95 billion (2024: R67,11 billion) in note 30 and 30.1 to the financial statements. I was unable to confirm these adjustments by alternative means.

Compensation of employees

8. In the period ended 31 March 2024, the department did not recognise compensation of employees in accordance with MCS chapter 2, *Concepts and principles*, as I identified misstatements in basic salaries, housing allowances and deprivation allowances. My opinion on the financial statements for the period ended 31 March 2024 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effects of this matter on the comparability of the current year's figures. I was unable to determine the full extent of the overstatement of compensation of employees for 2023-24 stated at R35,30 billion in note 4, and the related receivables balance stated at R1,63 billion (2024: R1,13 billion) in note 11, as it was impractical to do so.

Irregular expenditure

9. The department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3)(b)(i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. Consequently, I was unable to determine the full extent of the understatement of irregular expenditure, stated at R123,82 million (2024: R386,96 million) in note 25 to the financial statements, as it was impracticable to do so.

Context for opinion

10. 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.
11. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Claims against the department

14. With reference to note 19.1 to the financial statements, the department is the defendant in various lawsuits. The department is opposing the lawsuits. The ultimate outcome of these matters cannot presently be determined and therefore no provision for any liability that may result has been made in the financial statements.

Other matter

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

Unaudited supplementary schedules

16. The supplementary information set out on pages 305 to 329 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

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

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

19. My objectives are to obtain reasonable assurance about whether the financial statements as 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.
20. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 224, forms part of my auditor's report.

Report on the audit of the annual performance report

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
22. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Force employment	62	To provide and employ defence capabilities, including an operational capability, to successfully conduct operations, as well as joint, interdepartmental, interagency and multinational military exercises
Air defence	72	To provide prepared and supported air defence capabilities for the defence and protection of South Africa
Maritime defence	76	To provide prepared and supported maritime defence capabilities for the defence and protection of South Africa

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

24. I performed procedures to test whether:

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

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

26. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

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

29. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 62 to 79.

Programme 2: Force employment

<i>Targets achieved: 27%</i> <i>Budget spent: 101,3%</i>		
Key indicator not achieved	Planned target	Reported achievement
Percentage compliance with Joint Force Employment requirements as resourced	Classified	Classified
Percentage combat-ready capabilities available for the SANDF	Classified	Classified
Percentage compliance with force levels for external operations	Classified	Classified
Percentage compliance with the Southern African Development Community Standby Force pledge per year	100%	85%
Percentage compliance with number of external operations per year	100%	75%
Percentage compliance with self-sustainment of personnel for external operations	Classified	Classified
Percentage compliance with serviceability of main equipment for external operations	Classified	Classified

Programme 4: Air defence

<i>Targets achieved: 40%</i> <i>Budget spent: 101,8%</i>		
Key indicator not achieved	Planned target	Reported achievement
Percentage compliance with Joint Force Employment requirements as resourced (also an indicator in programme 2)	Classified	Classified
Percentage combat-ready capabilities available for the SANDF (also an indicator in programme 2)	Classified	Classified
Number of hours flown per year	12 000	6 209

Programme 5: Maritime defence

<i>Targets achieved: 20%</i> <i>Budget spent: 101,5%</i>		
Key indicator not achieved	Planned target	Reported achievement
Percentage compliance with Joint Force Employment requirements as resourced (also an indicator in programme 2)	Classified	Classified
Percentage combat-ready capabilities available for the SANDF (also an indicator in programme 2)	Classified	Classified
Number of sea hours per year	8 000	3 717

Material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 4: air defence. Management subsequently corrected the misstatements on programme 4, and I did not include any material findings in this report.

Report on compliance with legislation

31. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
32. 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.
33. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

Implementation of consequence management by the secretary for defence

34. According to chapter 2, section 8(a) of the Defence Act 42 of 2002 (Defence Act), the secretary for defence (SecDef) is the accounting officer of the Department of Defence as contemplated in section 36 of the PFMA. While both Acts recognise SecDef as the accounting officer of the department, there are certain stipulations in the Defence Act that determine how disciplinary processes should specifically be taken in relation to members of the SANDF. These processes

have resulted in delays in the implementation of consequence management, particularly in relation to material irregularities that I have identified and reported on in the section on material irregularities.

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

Annual financial statements and annual report

36. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA.
37. Material misstatements of movable tangible capital assets: capital work-in-progress and contingent liabilities identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

38. Effective and appropriate steps were not taken to prevent unauthorised expenditure disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The current compensation of employees' allocation is not adequate to sustain the current Department of Defence personnel and operational requirements.
39. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. As reported in the basis for the qualified opinion, the amount of R123,82 million disclosed in note 25 of the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with procurement legislation.
40. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Asset management

41. I was unable to obtain sufficient appropriate audit evidence that proper control systems were in place at the department to ensure the safeguarding of assets, as required by section 38(1)(d) of the PFMA.
42. The department did not obtain approval from the National Conventional Arms Control Committee (NCACC) before selling firearms, as required by treasury regulation 16A.7.6.
43. Preventative mechanisms were not in place to eliminate the theft and loss of assets, as required by treasury regulation 10.1.1 (a).

Procurement and contract management

44. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with treasury regulation 16A6.1 and paragraph 3.2.1 of supply chain management instruction note 2 of 2021-22. Similar non-compliance was also reported in the prior year.
45. Some of the goods and services with a transaction value above R1 000 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1, paragraph 3.3.1 of National Treasury Instruction (NTI) 2 of 2021/22, paragraph 4.1 of NTI 3 of 2021/22 and treasury regulation 16A6.4. Similar non-compliance was also reported in the prior year.
46. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.
47. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA) and Preferential Procurement Regulation (PPR), 2017 and/or 2022.
48. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA.

Consequence management

49. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some officials who incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into some instances of prior years' irregular expenditure were not performed.
50. Disciplinary steps were not taken against some of the officials who incurred and/or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.
51. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into some instances of fruitless and wasteful expenditure were not performed.
52. Allegations of theft and fraud that exceeded R100 000 were not reported to the South African Police Service, as required by section 34(1) of the Prevention and Combating of Corrupt Activities (PRECCA) Act 12 of 2004.

Other information in the annual report

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

54. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
55. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
56. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

57. 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.
58. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.
59. Leadership did not exercise sufficient oversight over financial reporting, compliance with laws and regulations and related internal controls. The action plans developed to address prior year audit matters were not adequate, and they were also not effectively implemented and monitored, resulting in recurring audit findings.
60. Consequence management was not implemented to create a culture of compliance with policies and legislation and to deter further irregularities. The lack of consequence management due to the limitations placed on the powers of the accounting officer in taking disciplinary actions against military officials also caused significant delays in addressing material irregularities as reported in the next section dealing with material irregularities previously reported.
61. Management did not prepare regular, accurate and complete financial reports that were always supported and evidenced by reliable information. This was mainly due to a lack of timely actionable action plans, proper record management systems and insufficient controls over daily and monthly processing and reconciling of transactions. Additionally, reviewing and monitoring controls over compliance with laws and regulations were not effective to detect and prevent non-compliance.

Material irregularities

62. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report

Material irregularities identified during the audit

63. The material irregularities identified are as follows:

No measures taken to continue to remediate environmental contamination

64. The department discovered an underground jet fuel leakage at Makhado Air Force base during the maintenance work of the pipes in 2000, which was estimated to have been ongoing for at least 15 years. The rehabilitation specialist who was appointed in 2001 by the Department of Public Works to remove the fuel from the polluted soil and underground water, estimated that it will take at least 20 to 40 years to rehabilitate the environment. However, after 2018, on the termination of the last rehabilitation specialist's contract, no further assessment and/or rehabilitation of the environment took place. Due to the department's failure to appoint a new contractor for the assessment and rehabilitation of the environment, the extent of the harm being caused and the required measures implemented to address the pollution caused by the fuel spillage cannot, with certainty, be determined.

65. This resulted in a non-compliance with section 28(1) of the National Environmental Management Act 107 of 1998, which imposes a duty on the department to take all reasonable measures to contain and minimise the effects of incidents on the environment. The non-compliance is likely to result in substantial harm to the public (employees residing on the air force base and the surrounding communities) due to the severe impact of the fuel spillage and the contamination of the environment (soil and groundwater).

66. I notified the accounting officer of the material irregularity on 14 August 2024 and invited a written submission on their actions to address the matter. The accounting officer responded on 3 September 2024 and disagreed with this matter being a material irregularity and indicated that they would continue to engage with all parties involved to ensure that the environment is not impacted and was in the process of appointing a contractor to conduct a site assessment. Based on the response of the accounting officer and the delay in appointing a contractor for the site assessment, I concluded that appropriate action is not being taken to address the material irregularity.

67. On 21 July 2025, I referred the material irregularity to the Department of Forestry, Fisheries and the Environment, as provided for in section 5(1A) of the PAA for investigation and further monitoring. I am also in the process of activating the other role players in the accountability ecosystem to exercise oversight and support the process in addressing the material irregularity.

Status of previously reported material irregularities

Inventory and asset management contract was not awarded only to the bidder that scored highest points in the evaluation process

68. In February 2017, the department awarded a contract for services relating to inventory and asset verification for a period of five years, commencing from 1 March 2017. The department did not comply with the requirements of paragraph 2(1)(f) of the PPPFA in awarding this contract because it did not award the entire contract to the bidder that scored the highest points in the evaluation process. The non-compliance is likely to result in a material financial loss as the contract was awarded to two bidders on a 50/50 basis at an increased price of R922 million for the same scope of work. This resulted in an increase of R250,56 million in the project cost. The contract came to an end during the 2021-22 financial year. The department spent a total of R616,90 million on the contract.
69. The accounting officer was notified of the material irregularity on 18 July 2019. The accounting officer responded by disagreeing that there was non-compliance with legislation in awarding the contract. This resulted in the further review and investigation of the matter by the National Treasury, which confirmed, on 28 February 2020, that legislation had been contravened in the awarding of this contract.
70. I recommended that the accounting officer take the following actions to address the material irregularity by 30 November 2020:
- a) Investigate the irregular expenditure and quantify the amount of the financial loss incurred, in accordance with the applicable instruction note(s) issued by the National Treasury dealing with irregular expenditure.
 - b) Take effective and appropriate disciplinary steps against any official who the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and treasury regulation 9.1.3.
 - c) Take appropriate action to determine whether the responsible official is liable by law for the losses suffered by the department for the purpose of recovery, as required by treasury regulations 9.1.4 and 12.7.1.
71. The accounting officer submitted a written response and supporting evidence on the implementation of the recommendations on 30 November 2020. Based on the assessment of the written response and supporting evidence submitted, I concluded that the recommendations had not been adequately implemented.
72. The accounting officer was notified of the outcome of the assessment on 6 April 2021 and given an extension until 30 April 2021 to implement those recommendations. Although the accounting officer in her response cited limitations in terms of the Defence Act, in so far as it relates to taking disciplinary action against military command members, I concluded that the recommendations had not been adequately implemented, particularly as they relate to non-military personnel in respect of whom the accounting officer has no limitations.
73. On 18 August 2021, I issued a directive to the accounting officer in terms of section 5A (3) of the PAA to determine the amount of the financial loss and recover such loss or make progress with the recovery of the loss from the responsible person by 18 November 2021.

74. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which should have been implemented by the same date:
- a) Effective and appropriate disciplinary steps must be taken against any civilian official whom the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and treasury regulation 9.1.3.
 - b) Appropriate action must be taken to determine whether the responsible civilian official(s) is liable for the losses suffered by the department for the purpose of recovery, as required by treasury regulations 9.1.4 and 12.7.1.
 - c) Steps must be taken to ensure that the chief of the SANDF takes:
 - i. effective and appropriate disciplinary action against any military command official whom the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and treasury regulation 9.1.3; and
 - ii. appropriate action to determine whether the responsible military command official(s) is/are liable for the losses suffered by the department for the purpose of recovery, as envisaged by treasury regulations 9.1.4 and 12.7.1.
 - d) If the chief of the SANDF fails to take effective and appropriate disciplinary action against military command official(s), and/or fails to take appropriate steps to determine whether the responsible command official(s) is/are liable for the losses suffered by the department for the purposes of recovery, the accounting officer must promptly, and before the expiry of the three-month period envisaged in the notification of remedial action, notify the executive authority of such failure.
75. On 8 November 2021, the accounting officer submitted a written response, which was assessed to be incomplete. The accounting officer was therefore requested to provide a revised response that clearly indicated the progress that had been made with the actions and timelines for completing the actions. The supplementary response was received on 23 November 2021.
76. On 26 January 2022, I informed the accounting officer that I was not satisfied with the progress on the implementation of the directive and remedial actions. A further submission by the accounting officer on 1 June 2022 confirmed the lack of progress in implementation of consequence management for both civilian and military command officials.
77. I pursued various interventions, including engaging the accountability ecosystem role players on the challenges with the implementation of consequence management regarding this matter. These interventions did not yield positive results, and I referred the material irregularity to the Special Investigating Unit (SIU) on 23 October 2023 for investigation as provided for in section 5(1A) of the PAA.
78. The SIU applied for a proclamation to investigate the matter further, which was approved and gazetted on 24 January 2025, and the investigation is currently in progress.

Lease payments made for unoccupied office buildings

79. The department made lease payments in the financial years 2015-16 to 2019-20 for unoccupied office buildings, in contravention of section 45(b) of the PFMA, which requires the effective, efficient, economical and transparent use of the department's financial resources. The non-compliance resulted in a financial loss of R108,3 million.

80. The accounting officer was notified of the material irregularity on 11 August 2020. On 8 September 2020, the accounting officer issued an instruction to investigate this material irregularity and conclude on it by 30 October 2020.
81. I did not receive any response from the accounting officer on the implementation of the planned actions and the outcomes thereof and concluded that appropriate action was not being taken.
82. I recommended that the accounting officer take the following actions to address the material irregularity, which should have been implemented by 11 November 2021:
- a) Quantify the financial loss and identify the officials responsible for it, in accordance with the applicable instruction note(s) issued by the National Treasury dealing with fruitless and wasteful expenditure.
 - b) Commence effective and appropriate disciplinary steps against any civilian official whom the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and treasury regulation 9.1.3.
 - c) Commence effective and appropriate disciplinary steps against any military command official whom the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and treasury regulation 9.1.3; and
 - d) Take appropriate action to determine whether the responsible official is liable by law for the losses suffered by the department for the purpose of recovery, as required by treasury regulations 9.1.4 and 12.7.1.
83. On 8 November 2021, the accounting officer submitted a written response that did not appropriately address all the required actions to address the matter. I requested additional information to enable me to conclude on the appropriateness of the actions being taken. I received the supplementary response on 23 November 2021. I assessed the accounting officer's revised response and concluded that adequate progress was not made with the implementation of the recommendations.
84. On 1 June 2022, the accounting officer provided a further written submission, which acknowledged the financial loss but stated that the board of inquiry did not find anyone liable for the loss and therefore no disciplinary action could be taken against anyone.
85. I assessed the outcome of the board of inquiry and concluded that its conclusion was not appropriate, and that appropriate action was not taken to implement the AGSA's recommendations.
86. I pursued various interventions, including engaging the accountability ecosystem role players on the challenges with the implementation of consequence management regarding this matter. These interventions did not yield positive results, and I decided to refer the material irregularity to the Public Protector South Africa (PPSA) on 24 October 2023 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the PPSA on 21 November 2023.
87. I followed up with the PPSA regarding progress of the investigation and I was informed that the investigation was still in progress.

Unfair award for the supply of fuel

88. In July 2019, the department awarded a contract worth R13,9 million for the supply and delivery of fuel to a supplier using evaluation criteria that differed from those stipulated in the original request for quotations. The original request for quotations stipulated that the award would be

made to a bidder with a lower price, but the department used the rotation of suppliers as the criterion to award this contract. The mode of transport was also changed after the award, which resulted in a further price increase. The awarding of the contract using different criteria resulted in non-compliance with treasury regulation 16A.3.2 (a), which requires that the supply chain management process be fair, transparent, competitive and cost-effective. The non-compliance caused a material financial loss of R2,57 million due to a higher price being paid for the fuel.

89. The accounting officer was notified of the material irregularity on 11 August 2020. On 8 September 2020, the accounting officer issued an instruction to investigate this material irregularity and conclude on it by 30 October 2020.
90. On 27 November 2020, the accounting officer completed the investigation into this material irregularity and disagreed that there was non-compliance with legislation in awarding the contract.
91. I referred the material irregularity to the Directorate for Priority Crime Investigations (DPCI) (the Hawks) on 15 November 2021 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the DPCI on 6 December 2021.
92. I followed up with the DPCI regarding progress of the investigation during the current year and I was informed that the investigation was still in progress.

Medical equipment at 2 Military Hospital not utilised

93. Medical equipment procured as part of the turn-key project at 2 Military Hospital were not utilised. This includes the cardiovascular theatre unit that cost R13,70 million that was procured and installed in 2018 and six renal dialysis units that cost R2,33 million that were procured and installed in 2019.
94. The non-utilisation of these material public resources could have been avoided with proper planning and processes to ensure effective and efficient use of the department's resources as required by section 45(b) of the PFMA.
95. The accounting officer was notified of the material irregularity on 3 April 2023 and invited to make a written submission on the actions taken and that would be taken to address the matter. The accounting officer confirmed that the medical equipment has been put into use effective from 2 June 2023. I visited the premises on 28 June 2023 and confirmed that the six units of renal dialysis had been put into use; however, the cardiovascular theatre unit remained unutilised.
96. I recommended that the accounting officer should take the following further actions to address the material irregularity, which should be implemented by 4 March 2024:
- Reasonable steps should be taken to prevent further non-utilisation of the cardiovascular theatre as required by treasury regulation 10.1.1(a).
97. I requested the accounting officer to provide a progress report on the implementation of the recommendation by 31 October 2023.
98. In addition, I referred the material irregularity to the PPSA on 3 October 2023 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the PPSA on 4 December 2023.

99. The accounting officer submitted a written response on the progress made in the implementation of the recommendations on 2 November 2023. Based on the assessment of the progress report, I identified some shortcomings and reminded the accounting officer to submit the final written responses and substantiating documentation on the implementation of the recommendation by the due date.
100. On 5 March 2024, the accounting officer submitted a written response on the implementation of the recommendations, which demonstrated notable progress in implementing the recommendations; however, some of the actions committed to by the accounting officer were still in progress.
101. I noted the progress made in addressing this matter and decided to grant the accounting officer an additional six months up to 11 December 2024 to implement the recommendations with a progress report due by 11 September 2024.
102. The accounting officer did not respond by the revised due date, despite various reminders that were sent to the accounting officer. I issued a letter to the minister on 3 March 2025 on the continued failure by the accounting officer to submit a written response and requested the minister as a key role player in the accountability ecosystem to ensure that the accounting officer formally responds on the implementation of the recommendations within 30 days from the date of issuing the letter.
103. The accounting officer subsequently provided a written response on the implementation of the recommendations on 5 March 2025. I requested additional information to enable me to conclude on the appropriateness of the actions being taken. I received a supplementary response on 8 April 2025. The accounting officer has taken the following action to implement the recommendation:
- The accounting officer, with the assistance of the surgeon-general from the South African Military Health Service, approached the Western Cape Department of Health to establish a memorandum of understanding for providing general medical services and placing the cardiovascular theatre in use. The negotiations in signing the memorandum of understanding are in an advanced stage and awaiting final inputs from the Western Cape Department of Health. The memorandum of understanding on finalisation will facilitate long-term collaboration in optimising the use of the cardiovascular theatre.
104. The actions taken by the accounting officer to implement the recommendation are deemed appropriate and have addressed the recommendation. However, the matter is still under investigation by the PPSA, and I will continue to follow-up and report on the progress with this investigation.

Unused medical equipment at 1 Military Hospital

105. The department procured medical equipment in March 2011 as part of the refurbishment project at 1 Military Hospital and this medical equipment has not been used since acquisition due to the incomplete refurbishment of the first floor. The operational lifespan of the medical equipment valued at R20,80 million had elapsed and no alternative means were used to derive value from it.
106. The non-compliance was likely to result in a material financial loss for the department due to delayed actions to ensure the efficient, effective and economical use of the department's resources as required by section 45(b) of the PFMA.

107. The accounting officer was notified of the material irregularity on 19 April 2023 and invited to make a written submission on the actions taken and that would be taken to address the matter. Based on the accounting officer's written response, I concluded that appropriate actions were not being taken to address the material irregularity.
108. I recommended that the accounting officer should take the following further actions to address the material irregularity, which should have been implemented by 29 February 2024:
- Quantify the financial loss relating to the unused medical equipment at 1 Military Hospital.
 - Take appropriate action to determine whether the responsible officials are liable in law for the losses suffered by the department for the purpose of recovery, as required by treasury regulations 9.1.4 and 12.7.1. The recovery process should not be unduly delayed.
 - Take reasonable steps, without delay, to dispose of the unused medical equipment at 1 Military Hospital in accordance with treasury regulation 16A.7.1 and 16A.7.2.
109. I did not receive a response from the accounting officer on the implementation of the recommendations by the due date. I followed up with the accounting officer on the outstanding response on various dates and received the response and substantiating documents on 2 May 2024 and a supplementary response on 18 June 2024. I evaluated the response and substantiating documentation, and, in this regard, the accounting officer had demonstrated notable progress in implementing the recommendations; however, some of the actions committed to by the accounting officer were still in process.
110. I granted the accounting officer an additional six months up to 24 January 2025 to implement the recommendations with a progress report due by 24 October 2024.
111. The accounting officer did not respond by the revised due date, despite various reminders that were sent to the accounting officer. I issued a letter to the minister on 3 March 2025 on the continued failure by the accounting officer to submit a written response and requested the minister as a key role player in the accountability ecosystem to ensure that the accounting officer formally responds on the implementation of the recommendations within 30 days from the date of issuing the letter.
112. The accounting officer subsequently provided a written response on the implementation of the recommendations on 5 March 2025. I requested additional information to enable me to conclude on the appropriateness of the actions being taken. I received a supplementary response on 8 April 2025. Based on the assessment of the written response and supporting evidence submitted, I concluded that the recommendations had not been adequately implemented, and the material irregularity had not been addressed.
113. I am in the process of deciding on the further action to take.

Material irregularities – Defence Intelligence

114. I identified a material irregularity relating to the Defence Intelligence division for which specific confidentiality clauses apply, in line with section 22(1)(a) of the PAA. As such, I do not provide details on this material irregularity.
115. The accounting officer is taking appropriate actions to resolve the material irregularity. As at the date of this report, I had not completed the process of evaluating the response of the accounting officer for this material irregularity. An assessment of the actions taken to address this material irregularity will be included in next year's auditor's report.

Other reports

116. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
117. The department conducted a forensic audit on the refurbishment and repairs and maintenance project at 1 Military Hospital. The investigation was completed in December 2020. During 2021, the matter was referred by the department to the DPCI for further investigation (DPCIHQ Inquiry no. 2021/09/02). At the date of this report, the investigation was still in progress.
118. The Military Police division is conducting investigations into various matters in the department. These investigations are still in progress.

Auditor General

Pretoria

30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii) Section 39(1)(a); 39(2)(a) Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(1); 43(4) Section 44 Section 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3 Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b) Regulation 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Regulation 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2 Regulation 11.4.1; 11.4.2; 11.5.1 Regulation 12.5.1 Regulation 15.10.1.2(c) Regulation 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A7.1; 16A7.3; 16A7.6 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 17.1.1 Regulation 18.2 Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17 Regulation 25(7A)
Division of Revenue Act 24 of 2024	Section 11(6)(a) Section 12(5) Section 16(1); 16(3)(a)(i); 16(3)(a)(ii)
National Health Act 61 of 2003	Section 13
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9 Paragraph 5.3

Legislation	Section, regulation or paragraph
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6
National Treasury Instruction No. 7 of 2017/18	Paragraph 4.3
PFMA National Treasury SCM Instruction No. 3 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17 Paragraph 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1 Section 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1 Regulation 10.1; 10.2 Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i) Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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Accounting Policies

for the year ended 31 March 2025

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 (MCS).

2. Going concern

The Financial Statements have been prepared on a going concern basis.

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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Accounting Policies

for the year ended 31 March 2025

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.

7.3 Accrued departmental revenue

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

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

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

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

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8.2 Other expenditure

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

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

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

Finance lease assets acquired prior to 01 April 2024, are recorded and measured at the present value of the minimum lease payments.

9. Aid assistance

9.1 Aid assistance received

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

Criminal Assets Recovery Account (CARA) Funds are recognised when receivable and measured at the amounts receivable.

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for the year ended 31 March 2025

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

10. Cash and cash equivalents

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

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

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

11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances expensed before 01 April 2024 are recorded until the goods and services are received.

12. Loans and Receivables

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

13. Investments

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

14. Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

14.2 Impairment of financial assets

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

15. Payables

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

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for the year ended 31 March 2025

16. Capital Assets

16.1 Immovable capital assets

Immovable capital assets reflected in the asset register of the Department are initially recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable capital assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable capital assets are subsequently carried in the asset register 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, unless the immovable capital asset is recorded by another department, in which case the completed project costs are transferred to that department.

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

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction are 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 01 April 2002, and in the case of Minor Other Machinery and Equipment prior to 01 April 2013 are recorded at R1.

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

Technical publications are recognised as library materials when they have been separately contracted for and are separately identifiable. Where they are not separately contracted for or separately identifiable, the cost is capitalised to the main asset.

Biological assets are recorded at cost except those bred by the Department which are recorded at R100.00.

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

Project costs are carried in work-in-progress as incurred and added to the cost of the capital asset when delivered and available for operational purposes.

16.3 Intangible capital assets

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

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 01 April 2002 are recorded at R1.

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for the year ended 31 March 2025

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

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

16.4 Project Costs: Work-in-progress on Immoveable Assets

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

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

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

17. Provisions and Contingents

17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18. Unauthorised expenditure

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

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

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

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

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

19. Fruitless and wasteful expenditure

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

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

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

20. Irregular expenditure

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

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

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

21. Changes in accounting policies, 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 cumulative effect of the error. In such cases the Department shall restate

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for the year ended 31 March 2025

the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22. Events after the reporting date

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

23. Capitalisation reserve

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

24. 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 Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

25. Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The full compensation of key management personnel is recorded in the notes to the financial statements.

26. Inventories

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

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

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

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

27. Public Private Partnerships

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

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

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2025

28. Employee benefits

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

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

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

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Appropriation per programme									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1 Administration	5 586 288	-	258 599	5 844 887	5 836 545	8 342	99.9%	5 439 742	5 369 316
2 Force Employment	7 421 970	-	(235 800)	7 186 170	7 279 075	(92 905)	101.3%	4 995 796	5 308 000
3 Landward Defence	16 995 203	-	496 615	17 491 818	19 384 909	(1 893 091)	110.8%	16 735 941	18 902 468
4 Air Defence	6 695 149	-	(97 880)	6 597 269	6 715 706	(118 437)	101.8%	7 431 228	7 770 383
5 Maritime Defence	4 443 786	-	16 578	4 460 364	4 527 090	(66 726)	101.5%	4 180 103	4 377 304
6 Military Health Support	5 816 587	-	37 649	5 854 236	6 029 507	(175 271)	103.0%	5 802 042	6 032 314
7 Defence Intelligence	1 128 385	-	81 258	1 209 643	1 372 619	(162 976)	113.5%	1 076 431	1 183 882
8 General Support	7 396 406	-	(557 019)	6 839 387	6 833 004	6 383	99.9%	6 806 901	6 898 181
Total	55 483 774	-	-	55 483 774	57 978 455	(2 494 681)	104.5%	52 468 184	55 841 848
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				2 028 080				1 265 959	
NRF receipts				-				-	
Aid assistance				-				150 000	
Actual amounts per Statement of Financial Performance (Total Revenue)				57 511 854				53 884 143	
Add:									150 000
Aid assistance					-				-
Prior year unauthorised expenditure approved without funding					-				-
Expenditure funded from retained funds / funds retained					467 023				(1 092 389)
Actual amounts per Statement of Financial Performance (Total Expenditure)					58 445 478				54 899 459

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Appropriation per economic classification									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	49 357 550	-	(644 955)	48 712 595	51 207 276	(2 494 681)	105.1%	43 926 024	47 300 815
Compensation of employees	35 135 328	-	-	35 135 328	37 644 734	(2 509 406)	107.1%	31 829 334	35 295 439
Salaries and wages	31 451 041	-	(8 660)	31 442 381	33 744 358	(2 301 977)	107.3%	28 400 029	31 567 602
Social contributions	3 684 287	-	8 660	3 692 947	3 900 376	(207 429)	105.6%	3 429 305	3 727 837
Goods and services	14 222 222	-	(644 955)	13 577 267	13 562 542	14 725	99.9%	12 096 690	12 005 376
Administrative fees	17 528	-	10 975	28 503	28 503	-	100.0%	24 650	24 650
Advertising	83 656	-	(62 539)	21 117	19 962	1 155	94.5%	25 357	20 129
Minor assets	286 072	-	(254 803)	31 269	31 269	-	100.0%	67 575	67 575
Audit costs: External	88 311	-	(9 446)	78 865	78 865	-	100.0%	82 970	82 970
Catering: Departmental activities	69 906	-	(45 627)	24 279	24 279	-	100.0%	26 335	26 335
Communication (G&S)	101 094	-	12 549	113 643	113 643	-	100.0%	85 536	85 536
Computer services	933 873	-	(192 862)	741 011	740 795	216	100.0%	738 317	734 294
Consultants: Business and advisory services	18 148	-	(8 325)	9 823	6 064	3 759	61.7%	5 251	4 511
Infrastructure and planning services	4 667	-	(4 212)	455	455	-	100.0%	120	120
Laboratory services	59 055	-	5 654	64 709	64 709	-	100.0%	67 644	67 644
Scientific and technological services	57 688	-	(28 616)	29 072	28 412	660	97.7%	39 063	39 063
Legal services	45 051	-	(11 570)	33 481	27 098	6 383	80.9%	26 181	26 181
Contractors	1 871 840	-	(670 765)	1 201 075	1 201 075	-	100.0%	1 180 129	1 180 129
Agency and support / outsourced services	832 118	-	(106 916)	725 202	725 202	-	100.0%	822 956	822 956
Entertainment	2 822	-	(416)	2 406	2 406	-	100.0%	1 945	1 945
Fleet services (including government motor transport)	267 008	-	(128 335)	138 673	138 673	-	100.0%	131 723	131 723
Inventory: Clothing material and accessories	152 062	-	12 263	164 325	164 325	-	100.0%	68 692	68 692
Inventory: Farming supplies	5 015	-	(1 316)	3 699	3 699	-	100.0%	2 945	2 945
Inventory: Food and food supplies	1 645 351	-	347 034	1 992 385	1 992 385	-	100.0%	1 644 783	1 644 783
Inventory: Fuel, oil and gas	876 978	-	(211 631)	665 347	665 347	-	100.0%	658 732	658 732
Inventory: Materials and supplies	127 130	-	(61 686)	65 444	65 444	-	100.0%	48 648	48 648
Inventory: Medical supplies	120 413	-	(62 733)	57 680	57 680	-	100.0%	57 666	57 666
Inventory: Medicine	253 136	-	(65 832)	187 304	187 304	-	100.0%	229 116	229 116
Inventory: Other supplies	76 757	-	23 772	100 529	100 529	-	100.0%	33 529	33 529
Consumable supplies	222 276	-	(51 694)	170 582	170 582	-	100.0%	145 330	145 330
Consumable: Stationery, printing and office supplies	72 004	-	(16 958)	55 046	54 454	592	98.9%	50 610	50 610

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Appropriation per economic classification									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	1 581 028	-	114 533	1 695 561	1 695 561	-	100.0%	1 378 100	1 341 757
Property payments	2 356 460	-	(615 999)	1 740 461	1 740 461	-	100.0%	1 573 927	1 531 383
Travel and subsistence	1 043 747	-	1 323 921	2 367 668	2 367 117	551	100.0%	1 969 252	1 969 252
Training and development	208 839	-	(44 778)	164 061	162 652	1 409	99.1%	127 847	125 411
Operating payments	702 538	-	157 790	860 328	860 328	-	100.0%	739 639	739 639
Venues and facilities	19 853	-	1 363	21 216	21 216	-	100.0%	16 644	16 644
Rental and hiring	19 798	-	2 250	22 048	22 048	-	100.0%	25 478	25 478
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 315 180	-	466 599	5 781 779	5 781 779	-	100.0%	7 452 497	7 451 370
Provinces and municipalities	241	-	(63)	178	178	-	100.0%	151	151
Municipalities	241	-	(63)	178	178	-	100.0%	151	151
Municipal bank accounts	241	-	(63)	178	178	-	100.0%	151	151
Departmental agencies and accounts	3 658 622	-	(739 086)	2 919 536	2 919 536	-	100.0%	3 605 480	3 605 319
Departmental agencies	3 658 622	-	(739 086)	2 919 536	2 919 536	-	100.0%	3 605 480	3 605 319
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	755 004	755 004	755 004	-	100.0%	77 628	77 628
Public corporations and private enterprises	1 399 984	-	1 412	1 401 396	1 401 396	-	100.0%	1 446 354	1 446 354
Public corporations	1 399 984	-	40	1 400 024	1 400 024	-	100.0%	1 446 251	1 446 251
Subsidies on products and production (pc)	1 399 984	-	-	1 399 984	1 399 984	-	100.0%	1 446 251	1 446 251
Other transfers to public corporations	-	-	40	40	40	-	100.0%	-	-
Private enterprises	-	-	1 372	1 372	1 372	-	100.0%	103	103
Other transfers to private enterprises	-	-	1 372	1 372	1 372	-	100.0%	103	103
Non-profit institutions	11 932	-	(7 569)	4 363	4 363	-	100.0%	5 492	4 709
Households	244 401	-	456 901	701 302	701 302	-	100.0%	2 317 392	2 317 209
Social benefits	244 401	-	449 453	693 854	693 854	-	100.0%	2 312 197	2 312 197
Other transfers to households	-	-	7 448	7 448	7 448	-	100.0%	5 195	5 012
Payments for capital assets	811 044	-	168 733	979 777	979 777	-	100.0%	1 085 195	1 085 195
Buildings and other fixed structures	393 765	-	(274 888)	118 877	118 877	-	100.0%	494 167	494 167
Buildings	393 582	-	(274 705)	118 877	118 877	-	100.0%	494 167	494 167
Other fixed structures	183	-	(183)	-	-	-	-	-	-
Machinery and equipment	394 726	-	457 579	852 305	852 305	-	100.0%	560 339	560 339

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Appropriation per economic classification									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport equipment	116 304	-	226 930	343 234	343 234	-	100.0%	159 568	159 568
Other machinery and equipment	278 422	-	230 649	509 071	509 071	-	100.0%	400 771	400 771
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	20 981	-	(18 237)	2 744	2 744	-	100.0%	5 344	5 344
Biological assets	40	-	(40)	-	-	-	-	556	556
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 532	-	4 319	5 851	5 851	-	100.0%	24 789	24 789
Payment for financial assets	-	-	9 623	9 623	9 623	-	100.0%	4 468	4 468
Total	55 483 774	-	-	55 483 774	57 978 455	(2 494 681)	104.5%	52 468 184	55 841 848

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Programme 1: Administration									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Ministry	135 558	-	(74 216)	61 342	61 342	-	100.0%	56 033	56 033
2 Departmental Direction	51 063	-	(15 309)	35 754	35 754	-	100.0%	33 818	33 818
3 Policy and Planning	144 650	-	3 498	148 148	148 148	-	100.0%	138 705	138 705
4 Financial Services	473 791	-	(70 996)	402 795	402 795	-	100.0%	401 148	400 965
5 Human Resources Support Services	1 009 483	-	59 652	1 069 135	1 069 135	-	100.0%	1 026 546	1 047 617
6 Legal Services	404 296	-	(16 006)	388 290	379 948	8 342	97.9%	389 503	375 874
7 Inspection and Audit Services	161 883	-	(2 300)	159 583	159 583	-	100.0%	160 520	160 520
8 Acquisition Services	75 781	-	(550)	75 231	75 231	-	100.0%	71 759	71 759
9 Communication Services	125 783	-	(60 465)	65 318	65 318	-	100.0%	65 567	65 567
10 South African National Defence Force Command and Control	202 503	-	19 865	222 368	222 368	-	100.0%	207 121	207 121
11 Religious Services	22 230	-	(553)	21 677	21 677	-	100.0%	24 361	24 361
12 Defence Reserve Direction	40 336	-	(7 662)	32 674	32 674	-	100.0%	36 780	36 780
13 Defence Foreign Relations	19 654	-	(5 948)	13 706	13 706	-	100.0%	12 717	12 717
14 Office Accommodation	2 719 277	-	429 589	3 148 866	3 148 866	-	100.0%	2 815 164	2 737 479
Total	5 586 288	-	258 599	5 844 887	5 836 545	8 342	99.9%	5 439 742	5 369 316
Economic classification									
Current payments	5 500 152	-	161 953	5 662 105	5 653 763	8 342	99.9%	5 129 873	5 059 791
Compensation of employees	2 226 561	-	(123 039)	2 103 522	2 103 522	-	100.0%	1 964 290	1 985 522
Salaries and wages	1 961 897	-	(120 888)	1 841 009	1 841 009	-	100.0%	1 717 292	1 738 524
Social contributions	264 664	-	(2 151)	262 513	262 513	-	100.0%	246 998	246 998
Goods and services	3 273 591	-	284 992	3 558 583	3 550 241	8 342	99.8%	3 165 583	3 074 269
Administrative fees	1 021	-	(905)	116	116	-	100.0%	5	5
Advertising	78 856	-	(62 730)	16 126	14 971	1 155	92.8%	21 837	16 609
Minor assets	9 566	-	(7 469)	2 097	2 097	-	100.0%	1 111	1 111
Catering: Departmental activities	5 869	-	(1 717)	4 152	4 152	-	100.0%	4 864	4 864
Communication (G&S)	13 927	-	(3 968)	9 959	9 959	-	100.0%	9 085	9 085
Computer services	87 461	-	(22 352)	65 109	64 893	216	99.7%	65 721	61 698
Consultants: Business and advisory services	11 494	-	(5 323)	6 171	2 412	3 759	39.1%	3 582	2 842
Scientific and technological services	3 806	-	2 349	6 155	5 495	660	89.3%	3 618	3 618

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025[illegible]

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Programme 1: Administration									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Private enterprises	-	-	869	869	869	-	100.0%	-	-
Other transfers to private enterprises	-	-	869	869	869	-	100.0%	-	-
Non-profit institutions	11 432	-	(7 182)	4 250	4 250	-	100.0%	4 635	4 635
Households	19 830	-	56 733	76 563	76 563	-	100.0%	214 428	214 245
Social benefits	19 830	-	56 520	76 350	76 350	-	100.0%	213 703	213 703
Other transfers to households	-	-	213	213	213	-	100.0%	725	542
Payments for capital assets	29 262	-	39 085	68 347	68 347	-	100.0%	49 734	49 734
Buildings and other fixed structures	50	-	200	250	250	-	100.0%	345	345
Buildings	50	-	200	250	250	-	100.0%	345	345
Machinery and equipment	28 267	-	39 736	68 003	68 003	-	100.0%	49 213	49 213
Transport equipment	8 163	-	17 768	25 931	25 931	-	100.0%	31 634	31 634
Other machinery and equipment	20 104	-	21 968	42 072	42 072	-	100.0%	17 579	17 579
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	945	-	(851)	94	94	-	100.0%	176	176
Payment for financial assets	-	-	35	35	35	-	100.0%	545	545
Total	5 586 288	-	258 599	5 844 887	5 836 545	8 342	99.9%	5 439 742	5 369 316

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Programme 2: Force Employment									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Strategic Direction	190 076	-	13 925	204 001	204 001	-	100.0%	182 010	199 276
2 Operational Direction	460 624	-	(54 464)	406 160	406 160	-	100.0%	418 576	431 438
3 Special Operations	1 171 181	-	(30 607)	1 140 574	1 140 574	-	100.0%	1 012 367	1 111 217
4 Regional Security	4 276 454	-	(572 346)	3 704 108	3 704 108	-	100.0%	2 214 378	2 214 378
5 Support to The People	1 323 635	-	407 692	1 731 327	1 824 232	(92 905)	105.4%	1 168 465	1 351 691
Total	7 421 970	-	(235 800)	7 186 170	7 279 075	(92 905)	101.3%	4 995 796	5 308 000
Economic classification									
Current payments	6 325 550	-	(503 010)	5 822 540	5 915 445	(92 905)	101.6%	4 234 440	4 546 644
Compensation of employees	3 578 688	-	-	3 578 688	3 671 593	(92 905)	102.6%	2 650 599	2 962 803
Salaries and wages	3 451 112	-	2 739	3 453 851	3 546 756	(92 905)	102.7%	2 537 995	2 842 804
Social contributions	127 576	-	(2 739)	124 837	124 837	-	100.0%	112 604	119 999
Goods and services	2 746 862	-	(503 010)	2 243 852	2 243 852	-	100.0%	1 583 841	1 583 841
Administrative fees	350	-	(316)	34	34	-	100.0%	225	225
Advertising	693	-	(170)	523	523	-	100.0%	465	465
Minor assets	30 895	-	(24 440)	6 455	6 455	-	100.0%	3 922	3 922
Catering: Departmental activities	5 311	-	(3 127)	2 184	2 184	-	100.0%	2 414	2 414
Communication (G&S)	16 565	-	(6 778)	9 787	9 787	-	100.0%	9 633	9 633
Computer services	7 689	-	1 779	9 468	9 468	-	100.0%	4 791	4 791
Infrastructure and planning services	1 528	-	(1 118)	410	410	-	100.0%	72	72
Laboratory services	927	-	(927)	-	-	-	-	250	250
Scientific and technological services	8 288	-	(2 968)	5 320	5 320	-	100.0%	14 449	14 449
Contractors	316 333	-	(292 588)	23 745	23 745	-	100.0%	29 192	29 192
Agency and support / outsourced services	8 823	-	(2 933)	5 890	5 890	-	100.0%	4 578	4 578
Entertainment	30	-	(24)	6	6	-	100.0%	8	8
Fleet services (including government motor transport)	103 926	-	(76 355)	27 571	27 571	-	100.0%	21 349	21 349
Inventory: Clothing material and accessories	15 046	-	2 071	17 117	17 117	-	100.0%	7 767	7 767
Inventory: Farming supplies	1 610	-	(1 358)	252	252	-	100.0%	288	288
Inventory: Food and food supplies	436 385	-	261 288	697 673	697 673	-	100.0%	316 905	316 905
Inventory: Fuel, oil and gas	274 155	-	(155 582)	118 573	118 573	-	100.0%	104 286	104 286
Inventory: Materials and supplies	22 675	-	(8 688)	13 987	13 987	-	100.0%	9 053	9 053

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Programme 2: Force Employment									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Medical supplies	8 267	-	(6 220)	2 047	2 047	-	100.0%	2 364	2 364
Inventory: Medicine	933	-	(876)	57	57	-	100.0%	313	313
Inventory: Other supplies	374	-	(235)	139	139	-	100.0%	63	63
Consumable supplies	83 197	-	(35 055)	48 142	48 142	-	100.0%	31 853	31 853
Consumable: Stationery, printing and office supplies	10 194	-	(3 578)	6 616	6 616	-	100.0%	6 263	6 263
Operating leases	364 415	-	(362 421)	1 994	1 994	-	100.0%	1 664	1 664
Property payments	37 281	-	(18 145)	19 136	19 136	-	100.0%	12 913	12 913
Travel and subsistence	468 639	-	130 556	599 195	599 195	-	100.0%	371 887	371 887
Training and development	8 686	-	(7 191)	1 495	1 495	-	100.0%	2 868	2 868
Operating payments	494 219	-	125 744	619 963	619 963	-	100.0%	619 107	619 107
Venues and facilities	3 273	-	(2 769)	504	504	-	100.0%	788	788
Rental and hiring	16 155	-	(10 586)	5 569	5 569	-	100.0%	4 111	4 111
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	970 440	-	194 459	1 164 899	1 164 899	-	100.0%	691 273	691 273
Provinces and municipalities	12	-	(5)	7	7	-	100.0%	4	4
Municipalities	12	-	(5)	7	7	-	100.0%	4	4
Municipal bank accounts	12	-	(5)	7	7	-	100.0%	4	4
Departmental agencies and accounts	950 998	-	(583 942)	367 056	367 056	-	100.0%	512 642	512 642
Departmental agencies	950 998	-	(583 942)	367 056	367 056	-	100.0%	512 642	512 642
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	755 004	755 004	755 004	-	100.0%	77 628	77 628
Public corporations and private enterprises	10 210	-	-	10 210	10 210	-	100.0%	-	-
Public corporations	10 210	-	-	10 210	10 210	-	100.0%	-	-
Subsidies on products and production (pc)	10 210	-	-	10 210	10 210	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	9 220	-	23 402	32 622	32 622	-	100.0%	100 999	100 999
Social benefits	9 220	-	21 912	31 132	31 132	-	100.0%	100 657	100 657
Other transfers to households	-	-	1 490	1 490	1 490	-	100.0%	342	342

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for the year ended 31 March 2025

Programme 2: Force Employment									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	125 980	-	72 693	198 673	198 673	-	100.0%	69 992	69 992
Buildings and other fixed structures	20 189	-	6 781	26 970	26 970	-	100.0%	6 942	6 942
Buildings	20 006	-	6 964	26 970	26 970	-	100.0%	6 942	6 942
Other fixed structures	183	-	(183)	-	-	-	-	-	-
Machinery and equipment	86 579	-	82 380	168 959	168 959	-	100.0%	63 050	63 050
Transport equipment	23 795	-	117 528	141 323	141 323	-	100.0%	761	761
Other machinery and equipment	62 784	-	(35 148)	27 636	27 636	-	100.0%	62 289	62 289
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	19 212	-	(16 468)	2 744	2 744	-	100.0%	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	58	58	58	-	100.0%	91	91
Total	7 421 970	-	(235 800)	7 186 170	7 279 075	(92 905)	101.3%	4 995 796	5 308 000

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Appropriation Statement

for the year ended 31 March 2025

Programme 3: Landward Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Strategic Direction	546 149	-	131 599	677 748	706 118	(28 370)	104.2%	838 905	893 865
2 Infantry Capability	6 159 209	-	236 843	6 396 052	7 520 161	(1 124 109)	117.6%	6 369 140	7 305 035
3 Armour Capability	617 395	-	17 560	634 955	668 425	(33 470)	105.3%	569 957	648 167
4 Artillery Capability	615 894	-	14 867	630 761	664 230	(33 469)	105.3%	705 269	792 366
5 Air Defence Artillery Capability	513 932	-	(52 130)	461 802	500 266	(38 464)	108.3%	412 431	486 600
6 Engineering Capability	1 035 475	-	40 041	1 075 516	1 155 266	(79 750)	107.4%	995 969	1 129 973
7 Operational Intelligence	292 862	-	12 799	305 661	331 527	(25 866)	108.5%	268 212	324 002
8 Command and Control Capability	263 403	-	7 277	270 680	310 253	(39 573)	114.6%	249 051	312 385
9 Support Capability	4 654 405	-	13 599	4 668 004	5 026 102	(358 098)	107.7%	4 129 000	4 532 362
10 General Training Capability	674 565	-	23 219	697 784	756 039	(58 255)	108.3%	634 094	695 886
11 Signal Capability	1 621 914	-	50 941	1 672 855	1 746 522	(73 667)	104.4%	1 563 913	1 781 827
Total	16 995 203	-	496 615	17 491 818	19 384 909	(1 893 091)	110.8%	16 735 941	18 902 468
Economic classification									
Current payments	16 195 403	-	520 120	16 715 523	18 608 614	(1 893 091)	111.3%	15 485 049	17 651 576
Compensation of employees	14 255 276	-	263 886	14 519 162	16 412 253	(1 893 091)	113.0%	13 392 049	15 558 576
Salaries and wages	12 635 909	-	267 052	12 902 961	14 659 872	(1 756 911)	113.6%	11 891 258	13 887 407
Social contributions	1 619 367	-	(3 166)	1 616 201	1 752 381	(136 180)	108.4%	1 500 791	1 671 169
Goods and services	1 940 127	-	256 234	2 196 361	2 196 361	-	100.0%	2 093 000	2 093 000
Advertising	1 299	-	414	1 713	1 713	-	100.0%	1 404	1 404
Minor assets	12 696	-	(3 375)	9 321	9 321	-	100.0%	3 042	3 042
Catering: Departmental activities	7 114	-	(2 691)	4 423	4 423	-	100.0%	3 588	3 588
Communication (G&S)	14 248	-	(5 355)	8 893	8 893	-	100.0%	9 463	9 463
Computer services	50 441	-	(7 703)	42 738	42 738	-	100.0%	24 970	24 970
Consultants: Business and advisory services	511	-	(403)	108	108	-	100.0%	598	598
Infrastructure and planning services	1 871	-	(1 862)	9	9	-	100.0%	-	-
Contractors	147 432	-	(131 226)	16 206	16 206	-	100.0%	23 141	23 141
Agency and support / outsourced services	6 123	-	(1 083)	5 040	5 040	-	100.0%	5 771	5 771
Entertainment	68	-	(56)	12	12	-	100.0%	10	10
Fleet services (including government motor transport)	59 375	-	(29 623)	29 752	29 752	-	100.0%	27 092	27 092
Inventory: Clothing material and accessories	43 102	-	42 014	85 116	85 116	-	100.0%	14 081	14 081

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for the year ended 31 March 2025

Programme 3: Landward Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Farming supplies	2 361	-	(37)	2 324	2 324	-	100.0%	1 726	1 726
Inventory: Food and food supplies	812 022	-	2 728	814 750	814 750	-	100.0%	858 368	858 368
Inventory: Fuel, oil and gas	403 681	-	(168 596)	235 085	235 085	-	100.0%	244 431	244 431
Inventory: Materials and supplies	8 668	-	8 855	17 523	17 523	-	100.0%	11 731	11 731
Inventory: Medical supplies	16	-	1	17	17	-	100.0%	14	14
Inventory: Medicine	16	-	(13)	3	3	-	100.0%	10	10
Inventory: Other supplies	10	-	(6)	4	4	-	100.0%	2	2
Consumable supplies	27 353	-	5 583	32 936	32 936	-	100.0%	26 257	26 257
Consumable: Stationery, printing and office supplies	9 596	-	1 034	10 630	10 630	-	100.0%	8 161	8 161
Operating leases	8 073	-	(7 446)	627	627	-	100.0%	892	892
Property payments	38 312	-	(31 186)	7 126	7 126	-	100.0%	6 565	6 565
Travel and subsistence	221 695	-	618 950	840 645	840 645	-	100.0%	796 691	796 691
Training and development	47 567	-	6 854	54 421	54 421	-	100.0%	32 226	32 226
Operating payments	11 012	-	(40 593)	(29 581)	(29 581)	-	100.0%	(13 565)	(13 565)
Venues and facilities	5 093	-	1 206	6 299	6 299	-	100.0%	4 910	4 910
Rental and hiring	372	-	(151)	221	221	-	100.0%	1 421	1 421
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	788 569	-	(81 679)	706 890	706 890	-	100.0%	1 221 535	1 221 535
Provinces and municipalities	38	-	(23)	15	15	-	100.0%	13	13
Municipalities	38	-	(23)	15	15	-	100.0%	13	13
Municipal bank accounts	38	-	(23)	15	15	-	100.0%	13	13
Departmental agencies and accounts	699 796	-	(231 804)	467 992	467 992	-	100.0%	311 432	311 432
Departmental agencies	699 796	-	(231 804)	467 992	467 992	-	100.0%	311 432	311 432
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 116	-	403	1 519	1 519	-	100.0%	1 742	1 742
Public corporations	1 116	-	40	1 156	1 156	-	100.0%	1 742	1 742
Subsidies on products and production (pc)	1 116	-	-	1 116	1 116	-	100.0%	1 742	1 742
Other transfers to public corporations	-	-	40	40	40	-	100.0%	-	-
Private enterprises	-	-	363	363	363	-	100.0%	-	-
Other transfers to private enterprises	-	-	363	363	363	-	100.0%	-	-

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for the year ended 31 March 2025

Programme 3: Landward Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	87 619	-	149 745	237 364	237 364	-	100.0%	908 348	908 348
Social benefits	87 619	-	146 494	234 113	234 113	-	100.0%	906 994	906 994
Other transfers to households	-	-	3 251	3 251	3 251	-	100.0%	1 354	1 354
Payments for capital assets	11 231	-	56 432	67 663	67 663	-	100.0%	28 002	28 002
Buildings and other fixed structures	222	-	469	691	691	-	100.0%	310	310
Buildings	222	-	469	691	691	-	100.0%	310	310
Machinery and equipment	10 976	-	55 968	66 944	66 944	-	100.0%	27 692	27 692
Transport equipment	-	-	5 940	5 940	5 940	-	100.0%	1 262	1 262
Other machinery and equipment	10 976	-	50 028	61 004	61 004	-	100.0%	26 430	26 430
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	7	-	(7)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	26	-	2	28	28	-	100.0%	-	-
Payment for financial assets	-	-	1 742	1 742	1 742	-	100.0%	1 355	1 355
Total	16 995 203	-	496 615	17 491 818	19 384 909	(1 893 091)	110.8%	16 735 941	18 902 468

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for the year ended 31 March 2025

Programme 4: Air Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Strategic Direction	73 990	-	(32 698)	41 292	41 292	-	100.0%	31 372	31 372
2 Operational Direction	56 354	-	108 343	164 697	164 697	-	100.0%	163 615	163 615
3 Helicopter Capability	908 594	-	(268 950)	639 644	639 644	-	100.0%	647 255	711 819
4 Transport and Maritime Capability	495 350	-	123	495 473	520 658	(25 185)	105.1%	1 506 878	1 525 724
5 Air Combat Capability	649 350	-	(58 624)	590 726	590 726	-	100.0%	597 703	597 703
6 Operational Support and Intelligence Capability	402 293	-	19 059	421 352	421 352	-	100.0%	368 223	424 726
7 Command and Control Capability	403 722	-	(2 571)	401 151	423 343	(22 192)	105.5%	389 686	417 325
8 Base Support Capability	2 306 867	-	127 918	2 434 785	2 478 414	(43 629)	101.8%	2 565 573	2 597 098
9 Command Post	102 989	-	33 769	136 758	136 758	-	100.0%	106 106	112 187
10 Training Capability	462 386	-	(12 365)	450 021	477 452	(27 431)	106.1%	445 611	461 236
11 Technical Support Services	833 254	-	(11 884)	821 370	821 370	-	100.0%	609 206	727 578
Total	6 695 149	-	(97 880)	6 597 269	6 715 706	(118 437)	101.8%	7 431 228	7 770 383
Economic classification									
Current payments	5 972 363	-	(30 618)	5 941 745	6 060 182	(118 437)	102.0%	5 601 658	5 940 813
Compensation of employees	4 306 647	-	-	4 306 647	4 425 084	(118 437)	102.8%	3 976 562	4 315 717
Salaries and wages	3 812 977	-	(7 137)	3 805 840	3 889 128	(83 288)	102.2%	3 512 055	3 796 343
Social contributions	493 670	-	7 137	500 807	535 956	(35 149)	107.0%	464 507	519 374
Goods and services	1 665 716	-	(30 618)	1 635 098	1 635 098	-	100.0%	1 625 096	1 625 096
Advertising	423	-	299	722	722	-	100.0%	357	357
Minor assets	62 896	-	(61 152)	1 744	1 744	-	100.0%	1 798	1 798
Catering: Departmental activities	3 404	-	350	3 754	3 754	-	100.0%	4 315	4 315
Communication (G&S)	8 610	-	(887)	7 723	7 723	-	100.0%	8 725	8 725
Computer services	16 284	-	30 485	46 769	46 769	-	100.0%	55 679	55 679
Consultants: Business and advisory services	825	-	(463)	362	362	-	100.0%	245	245
Infrastructure and planning services	150	-	(114)	36	36	-	100.0%	48	48
Laboratory services	6	-	(6)	-	-	-	-	-	-
Scientific and technological services	248	-	(213)	35	35	-	100.0%	7	7
Contractors	982 723	-	(188 622)	794 101	794 101	-	100.0%	802 243	802 243
Agency and support / outsourced services	31 509	-	(31 041)	468	468	-	100.0%	780	780
Entertainment	54	-	(43)	11	11	-	100.0%	6	6

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for the year ended 31 March 2025

Programme 4: Air Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	30 161	-	(5 238)	24 923	24 923	-	100.0%	28 988	28 988
Inventory: Clothing material and accessories	41 283	-	(24 929)	16 354	16 354	-	100.0%	15 867	15 867
Inventory: Farming supplies	398	-	177	575	575	-	100.0%	389	389
Inventory: Food and food supplies	98 106	-	46 927	145 033	145 033	-	100.0%	160 440	160 440
Inventory: Fuel, oil and gas	71 787	-	121 339	193 126	193 126	-	100.0%	199 617	199 617
Inventory: Materials and supplies	34 555	-	(27 981)	6 574	6 574	-	100.0%	6 107	6 107
Inventory: Medical supplies	2 077	-	(1 949)	128	128	-	100.0%	102	102
Inventory: Medicine	-	-	8	8	8	-	100.0%	38	38
Inventory: Other supplies	15 426	-	38 041	53 467	53 467	-	100.0%	3	3
Consumable supplies	41 037	-	(21 202)	19 835	19 835	-	100.0%	16 227	16 227
Consumable: Stationery, printing and office supplies	12 532	-	(5 112)	7 420	7 420	-	100.0%	7 180	7 180
Operating leases	647	-	(32)	615	615	-	100.0%	795	795
Property payments	75 654	-	(63 337)	12 317	12 317	-	100.0%	22 294	22 294
Travel and subsistence	55 266	-	154 375	209 641	209 641	-	100.0%	202 965	202 965
Training and development	39 848	-	(10 550)	29 298	29 298	-	100.0%	19 068	19 068
Operating payments	38 900	-	19 809	58 709	58 709	-	100.0%	66 195	66 195
Venues and facilities	337	-	682	1 019	1 019	-	100.0%	457	457
Rental and hiring	570	-	(239)	331	331	-	100.0%	4 161	4 161
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	658 197	-	(67 128)	591 069	591 069	-	100.0%	1 768 547	1 768 547
Provinces and municipalities	6	-	(6)	-	-	-	-	3	3
Municipalities	6	-	(6)	-	-	-	-	3	3
Municipal bank accounts	6	-	(6)	-	-	-	-	3	3
Departmental agencies and accounts	616 053	-	(153 547)	462 506	462 506	-	100.0%	1 456 588	1 456 588
Departmental agencies	616 053	-	(153 547)	462 506	462 506	-	100.0%	1 456 588	1 456 588
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	42 138	-	86 425	128 563	128 563	-	100.0%	311 956	311 956
Social benefits	42 138	-	86 076	128 214	128 214	-	100.0%	311 539	311 539

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Appropriation Statement

for the year ended 31 March 2025

Programme 4: Air Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to households	-	-	349	349	349	-	100.0%	417	417
Payments for capital assets	64 589	-	(1 319)	63 270	63 270	-	100.0%	60 659	60 659
Buildings and other fixed structures	456	-	341	797	797	-	100.0%	2 241	2 241
Buildings	456	-	341	797	797	-	100.0%	2 241	2 241
Machinery and equipment	64 133	-	(1 660)	62 473	62 473	-	100.0%	57 862	57 862
Transport equipment	40 324	-	(13 046)	27 278	27 278	-	100.0%	27 423	27 423
Other machinery and equipment	23 809	-	11 386	35 195	35 195	-	100.0%	30 439	30 439
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	556	556
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	1 185	1 185	1 185	-	100.0%	364	364
Total	6 695 149	-	(97 880)	6 597 269	6 715 706	(118 437)	101.8%	7 431 228	7 770 383

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Programme 5: Maritime Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Maritime Direction	822 047	-	42 750	864 797	864 797	-	100.0%	846 455	868 837
2 Maritime Combat Capability	916 296	-	28 851	945 147	945 147	-	100.0%	812 603	875 375
3 Maritime Logistic Support Capability	1 497 232	-	(11 650)	1 485 582	1 552 308	(66 726)	104.5%	1 398 837	1 494 047
4 Maritime Human Resources and Training Capability	573 042	-	(66 396)	506 646	506 646	-	100.0%	504 604	504 604
5 Base Support Capability	635 169	-	23 023	658 192	658 192	-	100.0%	617 604	634 441
Total	4 443 786	-	16 578	4 460 364	4 527 090	(66 726)	101.5%	4 180 103	4 377 304
Economic classification		-							
Current payments	3 405 152	-	(3 925)	3 401 227	3 467 953	(66 726)	102.0%	2 977 708	3 174 909
Compensation of employees	2 671 153	-	-	2 671 153	2 737 879	(66 726)	102.5%	2 372 915	2 570 116
Salaries and wages	2 361 757	-	(20 485)	2 341 272	2 407 998	(66 726)	102.8%	2 089 577	2 259 587
Social contributions	309 396	-	20 485	329 881	329 881	-	100.0%	283 338	310 529
Goods and services	733 999	-	(3 925)	730 074	730 074	-	100.0%	604 793	604 793
Advertising	412	-	(3)	409	409	-	100.0%	250	250
Minor assets	12 232	-	(9 778)	2 454	2 454	-	100.0%	1 804	1 804
Catering: Departmental activities	873	-	170	1 043	1 043	-	100.0%	3 814	3 814
Communication (G&S)	11 773	-	(2 954)	8 819	8 819	-	100.0%	8 126	8 126
Computer services	19 749	-	(3 801)	15 948	15 948	-	100.0%	14 610	14 610
Consultants: Business and advisory services	4 182	-	(1 753)	2 429	2 429	-	100.0%	542	542
Infrastructure and planning services	1 118	-	(1 118)	-	-	-	-	-	-
Contractors	251 847	-	(16 908)	234 939	234 939	-	100.0%	196 328	196 328
Agency and support / outsourced services	712	-	(185)	527	527	-	100.0%	445	445
Entertainment	42	-	(23)	19	19	-	100.0%	15	15
Fleet services (including government motor transport)	6 494	-	(1 468)	5 026	5 026	-	100.0%	5 050	5 050
Inventory: Clothing material and accessories	23 015	-	1 527	24 542	24 542	-	100.0%	14 651	14 651
Inventory: Farming supplies	-	-	1	1	1	-	100.0%	-	-
Inventory: Food and food supplies	86 675	-	27 482	114 157	114 157	-	100.0%	83 336	83 336
Inventory: Fuel, oil and gas	43 983	-	(3 487)	40 496	40 496	-	100.0%	46 250	46 250
Inventory: Materials and supplies	46 897	-	(39 415)	7 482	7 482	-	100.0%	9 388	9 388
Inventory: Medical supplies	22	-	7	29	29	-	100.0%	80	80
Inventory: Medicine	-	-	5	5	5	-	100.0%	-	-

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for the year ended 31 March 2025

Programme 5: Maritime Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Other supplies	39 091	-	4 573	43 664	43 664	-	100.0%	33 460	33 460
Consumable supplies	17 940	-	(10 279)	7 661	7 661	-	100.0%	12 220	12 220
Consumable: Stationery, printing and office supplies	6 301	-	(3 968)	2 333	2 333	-	100.0%	4 715	4 715
Operating leases	480	-	575	1 055	1 055	-	100.0%	557	557
Property payments	18 508	-	(6 843)	11 665	11 665	-	100.0%	3 969	3 969
Travel and subsistence	66 599	-	112 492	179 091	179 091	-	100.0%	144 965	144 965
Training and development	12 990	-	(1 469)	11 521	11 521	-	100.0%	10 057	10 057
Operating payments	58 601	-	(52 953)	5 648	5 648	-	100.0%	642	642
Venues and facilities	910	-	1 549	2 459	2 459	-	100.0%	290	290
Rental and hiring	2 553	-	4 099	6 652	6 652	-	100.0%	9 229	9 229
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	990 937	-	506	991 443	991 443	-	100.0%	1 089 249	1 089 249
Provinces and municipalities	6	-	1	7	7	-	100.0%	9	9
Municipalities	6	-	1	7	7	-	100.0%	9	9
Municipal bank accounts	6	-	1	7	7	-	100.0%	9	9
Departmental agencies and accounts	613 597	-	(55)	613 542	613 542	-	100.0%	622 527	622 527
Departmental agencies	613 597	-	(55)	613 542	613 542	-	100.0%	622 527	622 527
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	355 388	-	-	355 388	355 388	-	100.0%	351 173	351 173
Public corporations	355 388	-	-	355 388	355 388	-	100.0%	351 173	351 173
Subsidies on products and production (pc)	355 388	-	-	355 388	355 388	-	100.0%	351 173	351 173
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	21 946	-	560	22 506	22 506	-	100.0%	115 540	115 540
Social benefits	21 946	-	560	22 506	22 506	-	100.0%	115 465	115 465
Other transfers to households	-	-	-	-	-	-	-	75	75
Payments for capital assets	47 697	-	19 856	67 553	67 553	-	100.0%	112 892	112 892
Buildings and other fixed structures	-	-	4 422	4 422	4 422	-	100.0%	95	95
Buildings	-	-	4 422	4 422	4 422	-	100.0%	95	95
Machinery and equipment	45 391	-	12 096	57 487	57 487	-	100.0%	100 581	100 581
Transport equipment	37 302	-	2 200	39 502	39 502	-	100.0%	43 951	43 951

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Programme 5: Maritime Defence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	8 089	-	9 896	17 985	17 985	-	100.0%	56 630	56 630
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	1 762	-	(1 762)	-	-	-	-	5 344	5 344
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	544	-	5 100	5 644	5 644	-	100.0%	6 872	6 872
Payment for financial assets	-	-	141	141	141	-	100.0%	254	254
Total	4 443 786	-	16 578	4 460 364	4 527 090	(66 726)	101.5%	4 180 103	4 377 304

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Programme 6: Military Health Support									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Strategic Direction	267 480	-	49 849	317 329	317 329	-	100.0%	379 678	392 672
2 Mobile Military Health Support	226 950	-	3 919	230 869	230 869	-	100.0%	208 583	221 864
3 Area Military Health Service	2 205 482	-	(13 105)	2 192 377	2 208 799	(16 422)	100.7%	2 114 980	2 223 319
4 Specialist / Tertiary Health Service	2 321 761	-	89 302	2 411 063	2 533 303	(122 240)	105.1%	2 408 094	2 446 472
5 Military Health Product Support Capability	407 596	-	(133 378)	274 218	292 085	(17 867)	106.5%	316 000	334 670
6 Military Health Training Capability	387 318	-	41 062	428 380	447 122	(18 742)	104.4%	374 707	413 317
Total	5 816 587	-	37 649	5 854 236	6 029 507	(175 271)	103.0%	5 802 042	6 032 314
Economic classification			-						
Current payments	5 688 527	-	(69 425)	5 619 102	5 794 373	(175 271)	103.1%	5 416 870	5 647 925
Compensation of employees	4 238 634	-	-	4 238 634	4 413 905	(175 271)	104.1%	4 008 830	4 239 885
Salaries and wages	3 794 382	-	(5 141)	3 789 241	3 940 286	(151 045)	104.0%	3 585 901	3 788 800
Social contributions	444 252	-	5 141	449 393	473 619	(24 226)	105.4%	422 929	451 085
Goods and services	1 449 893	-	(69 425)	1 380 468	1 380 468	-	100.0%	1 408 040	1 408 040
Advertising	272	-	(196)	76	76	-	100.0%	73	73
Minor assets	28 142	-	(24 520)	3 622	3 622	-	100.0%	1 304	1 304
Catering: Departmental activities	1 851	-	(290)	1 561	1 561	-	100.0%	821	821
Communication (G&S)	5 810	-	(2 163)	3 647	3 647	-	100.0%	3 761	3 761
Computer services	33 574	-	(15 215)	18 359	18 359	-	100.0%	18 391	18 391
Consultants: Business and advisory services	1 054	-	(903)	151	151	-	100.0%	281	281
Laboratory services	58 122	-	6 587	64 709	64 709	-	100.0%	67 394	67 394
Scientific and technological services	15 399	-	(15 399)	-	-	-	-	-	-
Contractors	53 668	-	(5 570)	48 098	48 098	-	100.0%	31 797	31 797
Agency and support / outsourced services	578 955	-	95 254	674 209	674 209	-	100.0%	663 649	663 649
Entertainment	38	-	(10)	28	28	-	100.0%	12	12
Fleet services (including government motor transport)	23 327	-	(5 997)	17 330	17 330	-	100.0%	16 450	16 450
Inventory: Clothing material and accessories	17 501	-	(5 118)	12 383	12 383	-	100.0%	8 568	8 568
Inventory: Farming supplies	580	-	(105)	475	475	-	100.0%	524	524
Inventory: Food and food supplies	112 198	-	(32 015)	80 183	80 183	-	100.0%	88 780	88 780
Inventory: Fuel, oil and gas	17 924	-	344	18 268	18 268	-	100.0%	20 396	20 396

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Programme 6: Military Health Support									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	2 646	-	(235)	2 411	2 411	-	100.0%	1 326	1 326
Inventory: Medical supplies	109 863	-	(54 427)	55 436	55 436	-	100.0%	54 879	54 879
Inventory: Medicine	252 187	-	(64 956)	187 231	187 231	-	100.0%	228 755	228 755
Inventory: Other supplies	261	-	(261)	-	-	-	-	1	1
Consumable supplies	24 313	-	(6 532)	17 781	17 781	-	100.0%	20 136	20 136
Consumable: Stationery, printing and office supplies	12 394	-	(3 483)	8 911	8 911	-	100.0%	8 389	8 389
Operating leases	1 107	-	487	1 594	1 594	-	100.0%	1 255	1 255
Property payments	28 314	-	(6 907)	21 407	21 407	-	100.0%	2 304	22 304
Travel and subsistence	56 043	-	78 520	134 563	134 563	-	100.0%	132 139	132 139
Training and development	10 067	-	1 124	11 191	11 191	-	100.0%	13 388	13 388
Operating payments	4 052	-	(8 822)	(4 770)	(4 770)	-	100.0%	205	205
Venues and facilities	231	-	589	820	820	-	100.0%	2 872	2 872
Rental and hiring	-	-	794	794	794	-	100.0%	190	190
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	35 525	-	66 957	102 482	102 482	-	100.0%	248 522	247 739
Provinces and municipalities	8	-	(2)	6	6	-	100.0%	4	4
Municipalities	8	-	(2)	6	6	-	100.0%	4	4
Municipal bank accounts	8	-	(2)	6	6	-	100.0%	4	4
Departmental agencies and accounts	14	-	(14)	-	-	-	-	-	-
Departmental agencies	14	-	(14)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	140	140	140	-	100.0%	103	103
Private enterprises	-	-	140	140	140	-	100.0%	103	103
Other transfers to private enterprises	-	-	140	140	140	-	100.0%	103	103
Non-profit institutions	500	-	(387)	113	113	-	100.0%	857	74
Households	35 003	-	67 220	102 223	102 223	-	100.0%	247 558	247 558
Social benefits	35 003	-	66 761	101 764	101 764	-	100.0%	246 291	246 291
Other transfers to households	-	-	459	459	459	-	100.0%	1 267	1 267
Payments for capital assets	92 535	-	38 792	131 327	131 327	-	100.0%	135 141	135 141
Buildings and other fixed structures	11	-	325	336	336	-	100.0%	350	350

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Programme 6: Military Health Support									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buildings	11	-	325	336	336	-	100.0%	350	350
Machinery and equipment	92 467	-	38 439	130 906	130 906	-	100.0%	134 791	134 791
Transport equipment	-	-	50 631	50 631	50 631	-	100.0%	38 432	38 432
Other machinery and equipment	92 467	-	(12 192)	80 275	80 275	-	100.0%	96 359	96 359
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	40	-	(40)	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	17	-	68	85	85	-	100.0%	-	-
Payment for financial assets	-	-	1 325	1 325	1 325	-	100.0%	1 509	1 509
Total	5 816 587	-	37 649	5 854 236	6 029 507	(175 271)	103.0%	5 802 042	6 032 314

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Programme 7: Defence Intelligence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Operations	312 700	-	-	312 700	312 700	-	100.0%	299 000	299 000
2 Defence Intelligence Support Services	815 685	-	81 258	896 943	1 059 919	(162 976)	118.2%	777 431	884 882
Total	1 128 385	-	81 258	1 209 643	1 372 619	(162 976)	113.5%	1 076 431	1 183 882
Economic classification									
Current payments	807 287	-	76 954	884 241	1 047 217	(162 976)	118.4%	718 847	826 298
Compensation of employees	671 936	-	-	671 936	834 912	(162 976)	124.3%	598 402	705 853
Salaries and wages	599 693	-	-	599 693	750 795	(151 102)	125.2%	525 337	628 325
Social contributions	72 243	-	-	72 243	84 117	(11 874)	116.4%	73 065	77 528
Goods and services	135 351	-	76 954	212 305	212 305	-	100.0%	120 445	120 445
Advertising	469	-	391	860	860	-	100.0%	298	298
Minor assets	1 767	-	(1 383)	384	384	-	100.0%	68	68
Catering: Departmental activities	1 068	-	912	1 980	1 980	-	100.0%	1 348	1 348
Communication (G&S)	2 922	-	1 513	4 435	4 435	-	100.0%	4 277	4 277
Computer services	263	-	(215)	48	48	-	100.0%	567	567
Consultants: Business and advisory services	81	-	(79)	2	2	-	100.0%	-	-
Contractors	841	-	(712)	129	129	-	100.0%	651	651
Agency and support / outsourced services	100	-	43	143	143	-	100.0%	126	126
Entertainment	1 596	-	32	1 628	1 628	-	100.0%	1 207	1 207
Fleet services (including government motor transport)	4 591	-	(1 213)	3 378	3 378	-	100.0%	4 019	4 019
Inventory: Clothing material and accessories	160	-	(112)	48	48	-	100.0%	50	50
Inventory: Food and food supplies	7 307	-	1 780	9 087	9 087	-	100.0%	7 465	7 465
Inventory: Fuel, oil and gas	12 018	-	(4 868)	7 150	7 150	-	100.0%	3 570	3 570
Inventory: Materials and supplies	521	-	(269)	252	252	-	100.0%	29	29
Consumable supplies	2 633	-	(1 297)	1 336	1 336	-	100.0%	1 086	1 086
Consumable: Stationery, printing and office supplies	5 440	-	(2 045)	3 395	3 395	-	100.0%	1 748	1 748
Operating leases	40 073	-	40 973	81 046	81 046	-	100.0%	30 844	30 844
Property payments	16 457	-	(9 186)	7 271	7 271	-	100.0%	3 810	3 810
Travel and subsistence	20 274	-	13 830	34 104	34 104	-	100.0%	30 332	30 332
Training and development	7 455	-	(4 240)	3 215	3 215	-	100.0%	3 557	3 557
Operating payments	8 482	-	43 305	51 787	51 787	-	100.0%	25 187	25 187

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Programme 7: Defence Intelligence									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	794	-	(416)	378	378	-	100.0%	130	130
Rental and hiring	39	-	210	249	249	-	100.0%	76	76
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	317 227	-	999	318 226	318 226	-	100.0%	356 150	356 150
Provinces and municipalities	6	-	(3)	3	3	-	100.0%	2	2
Municipalities	6	-	(3)	3	3	-	100.0%	2	2
Municipal bank accounts	6	-	(3)	3	3	-	100.0%	2	2
Departmental agencies and accounts	312 700	-	-	312 700	312 700	-	100.0%	299 000	299 000
Departmental agencies	312 700	-	-	312 700	312 700	-	100.0%	299 000	299 000
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 521	-	1 002	5 523	5 523	-	100.0%	57 148	57 148
Social benefits	4 521	-	1 002	5 523	5 523	-	100.0%	57 148	57 148
Payments for capital assets	3 871	-	3 301	7 172	7 172	-	100.0%	1 328	1 328
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 871	-	3 301	7 172	7 172	-	100.0%	1 328	1 328
Transport equipment	3 700	-	193	3 893	3 893	-	100.0%	-	-
Other machinery and equipment	171	-	3 108	3 279	3 279	-	100.0%	1 328	1 328
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	4	4	4	-	100.0%	106	106
Total	1 128 385	-	81 258	1 209 643	1 372 619	(162 976)	113.5%	1 076 431	1 183 882

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Programme 8: General Support									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Joint Logistic Services	3 927 674	-	(674 420)	3 253 254	3 253 254	-	100.0%	3 501 809	3 551 273
2 Command and Management Information Systems	1 107 857	-	(118 185)	989 672	989 672	-	100.0%	917 090	918 467
3 Military Police	773 489	-	16 492	789 981	789 981	-	100.0%	814 380	854 819
4 Technology Development	411 330	-	223 177	634 507	634 507	-	100.0%	315 984	315 984
5 Departmental Support	1 176 056	-	(4 083)	1 171 973	1 165 590	6 383	99.5%	1 257 638	1 257 638
Total	7 396 406	-	(557 019)	6 839 387	6 833 004	6 383	99.9%	6 806 901	6 898 181
Economic classification		-							
Current payments	5 463 116	-	(797 004)	4 666 112	4 659 729	6 383	99.9%	4 361 579	4 452 859
Compensation of employees	3 186 433	-	(140 847)	3 045 586	3 045 586	-	100.0%	2 865 687	2 956 967
Salaries and wages	2 833 314	-	(124 800)	2 708 514	2 708 514	-	100.0%	2 540 614	2 625 812
Social contributions	353 119	-	(16 047)	337 072	337 072	-	100.0%	325 073	331 155
Goods and services	2 276 683	-	(656 157)	1 620 526	1 614 143	6 383	99.6%	1 495 892	1 495 892
Administrative fees	16 157	-	12 196	28 353	28 353	-	100.0%	24 420	24 420
Advertising	1 232	-	(544)	688	688	-	100.0%	673	673
Minor assets	127 878	-	(122 686)	5 192	5 192	-	100.0%	54 526	54 526
Audit costs: External	88 311	-	(9 446)	78 865	78 865	-	100.0%	82 970	82 970
Catering: Departmental activities	44 416	-	(39 234)	5 182	5 182	-	100.0%	5 171	5 171
Communication (G&S)	27 239	-	33 141	60 380	60 380	-	100.0%	32 466	32 466
Computer services	718 412	-	(175 840)	542 572	542 572	-	100.0%	553 588	553 588
Consultants: Business and advisory services	1	-	599	600	600	-	100.0%	3	3
Scientific and technological services	29 947	-	(12 385)	17 562	17 562	-	100.0%	20 989	20 989
Legal services	45 045	-	(11 564)	33 481	27 098	6 383	80.9%	26 181	26 181
Contractors	116 433	-	(33 626)	82 807	82 807	-	100.0%	96 054	96 054
Agency and support / outsourced services	197 388	-	(161 655)	35 733	35 733	-	100.0%	144 917	144 917
Entertainment	113	-	(109)	4	4	-	100.0%	-	-
Fleet services (including government motor transport)	23 138	-	(4 535)	18 603	18 603	-	100.0%	18 196	18 196
Inventory: Clothing material and accessories	8 773	-	(4 654)	4 119	4 119	-	100.0%	3 181	3 181
Inventory: Farming supplies	66	-	6	72	72	-	100.0%	18	18
Inventory: Food and food supplies	72 658	-	14 149	86 807	86 807	-	100.0%	91 138	91 138
Inventory: Fuel, oil and gas	37 304	-	2 750	40 054	40 054	-	100.0%	29 909	29 909

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Programme 8: General Support									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	9 599	-	5 967	15 566	15 566	-	100.0%	10 357	10 357
Inventory: Medical supplies	63	-	(42)	21	21	-	100.0%	199	199
Inventory: Other supplies	21 595	-	(18 340)	3 255	3 255	-	100.0%	-	-
Consumable supplies	9 460	-	20 688	30 148	30 148	-	100.0%	28 078	28 078
Consumable: Stationery, printing and office supplies	3 784	-	4 247	8 031	8 031	-	100.0%	7 355	7 355
Operating leases	-	-	10 698	10 698	10 698	-	100.0%	7 300	7 300
Property payments	561 214	-	(457 398)	103 816	103 816	-	100.0%	15 516	15 516
Travel and subsistence	56 364	-	175 735	232 099	232 099	-	100.0%	178 620	178 620
Training and development	36 135	-	(19 727)	16 408	16 408	-	100.0%	21 861	21 861
Operating payments	20 805	-	130 957	151 762	151 762	-	100.0%	34 076	34 076
Venues and facilities	3 153	-	790	3 943	3 943	-	100.0%	2 262	2 262
Rental and hiring	-	-	3 705	3 705	3 705	-	100.0%	5 868	5 868
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 497 411	-	294 959	1 792 370	1 792 370	-	100.0%	1 817 631	1 817 631
Provinces and municipalities	89	-	(31)	58	58	-	100.0%	58	58
Municipalities	89	-	(31)	58	58	-	100.0%	58	58
Municipal bank accounts	89	-	(31)	58	58	-	100.0%	58	58
Departmental agencies and accounts	439 928	-	223 176	663 104	663 104	-	100.0%	372 546	372 546
Departmental agencies	439 928	-	223 176	663 104	663 104	-	100.0%	372 546	372 546
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 033 270	-	-	1 033 270	1 033 270	-	100.0%	1 083 612	1 083 612
Public corporations	1 033 270	-	-	1 033 270	1 033 270	-	100.0%	1 083 612	1 083 612
Subsidies on products and production (pc)	1 033 270	-	-	1 033 270	1 033 270	-	100.0%	1 083 612	1 083 612
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	24 124	-	71 814	95 938	95 938	-	100.0%	361 415	361 415
Social benefits	24 124	-	70 128	94 252	94 252	-	100.0%	360 400	360 400
Other transfers to households	-	-	1 686	1 686	1 686	-	100.0%	1 015	1 015

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2025

Programme 8: General Support									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	435 879	-	(60 107)	375 772	375 772	-	100.0%	627 447	627 447
Buildings and other fixed structures	372 837	-	(287 426)	85 411	85 411	-	100.0%	483 884	483 884
Buildings	372 837	-	(287 426)	85 411	85 411	-	100.0%	483 884	483 884
Machinery and equipment	63 042	-	227 319	290 361	290 361	-	100.0%	125 822	125 822
Transport equipment	3 020	-	45 716	48 736	48 736	-	100.0%	16 105	16 105
Other machinery and equipment	60 022	-	181 603	241 625	241 625	-	100.0%	109 717	109 717
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	17 741	17 741
Payment for financial assets	-	-	5 133	5 133	5 133	-	100.0%	244	244
Total	7 396 406	-	(557 019)	6 839 387	6 833 004	6 383	99.9%	6 806 901	6 898 181

Defence - Vote 23

Notes to the Appropriation Statement

for the year ended 31 March 2025

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 7 on Transfers and subsidies and Annexure 1 (A-F) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in note 6 - Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme:

Per Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	5 844 887	5 836 545	8 342	0.14%
Force Employment	7 186 170	7 279 075	(92 905)	-1.29%
Landward Defence	17 491 818	19 384 909	(1 893 091)	-10.82%
Air Defence	6 597 269	6 715 706	(118 437)	-1.80%
Maritime Defence	4 460 364	4 527 090	(66 726)	-1.50%
Military Health Support	5 854 236	6 029 507	(175 271)	-2.99%
Defence Intelligence	1 209 643	1 372 619	(162 976)	-13.47%
General Support	6 839 387	6 833 004	6 383	0.09%

Main contributing factors resulting in unauthorised expenditure within programmes are as follows:

Administration Programme. Under-expenditure of Rm8,342, within the Military Ombud budget allocation, occurred due to several factors, including the moratorium on staffing, which resulted in unspent funds for advertising posts. Delays in delivery prevented payment for corporate gifts, and planned media advertisements did not materialise. Provisions for the review of the Act and a business case study by Government Technical Advisory Centre (GTAC) were not utilised, awaiting direction from the Minister. Additionally, a research project on public perception could not proceed due to scheduling conflicts with the University of Stellenbosch. Reduced uptake in skills training and cost savings from the annual symposium also contributed to the overall under-expenditure.

Over Expenditure Across Programmes. Over expenditure across various Programmes can be attributed to several key factors:

- The current Compensation of Employees (CoE) allocation has proven inadequate to sustain the current personnel component, as well as operational requirements of the Department of Defence (DOD).
- The deployment of South African National Defence Force (SANDF) personnel in collaboration with the South African Police Service (SAPS) for ensuring robust security at Eskom installations and tackling illegal mining activities under Operation PROSPER has contributed to unanticipated costs.
- The utilisation of Reserve Forces has surpassed the planned mandays, driven by an increased capacity required to support ongoing military operations and provide protection services to military installations.

General Support. The provision for the payment of the State Attorney was not fully utilised due to fewer legal cases requiring external counsel than initially anticipated.

Defence - Vote 23

Notes to the Appropriation Statement

for the year ended 31 March 2025

4.2 Per economic classification:

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current Expenditure				
Compensation of employees	35 135 328	37 644 734	(2 509 406)	(7.14)
Goods and services	13 577 267	13 562 542	14 725	0.11%
Transfers and Subsidies				
Departmental agencies and accounts	-	-	-	-
Non-profit institutions	-	-	-	-
Households	-	-	-	-

Compensation of Employees:

Over expenditure can be attributed to several key factors:

- The current CoE allocation has proven inadequate to sustain the current personnel component as well as operational requirements of the DOD.
- The deployment of SANDF personnel in collaboration with the SAPS for ensuring robust security at Eskom installations and tackling illegal mining activities under Operation PROSPER has contributed to unanticipated costs.
- The utilisation of Reserve Forces has surpassed the planned mandays, driven by an increased capacity required to support ongoing military operations and provide protection services to military installations.

Goods and Services:

- Military Ombud. The Military Ombud within the Legal Services' Subprogrammes underspent their operating budget allocation by Rm8,342 due to several factors, including the moratorium on staffing, which resulted in unspent funds for advertising posts. Delays in delivery prevented payment for corporate gifts, and planned media advertisements did not materialise. Provisions for the review of the Act and a business case study by Government Technical Advisory Centre (GTAC) were not utilised, awaiting direction from the Minister. Additionally, a research project on public perception could not proceed due to scheduling conflicts with the University of Stellenbosch. Reduced uptake in skills training and cost savings from the annual symposium also contributed to the overall under-expenditure.
- General Support. The provision for the payment of the State Attorney was not fully utilised due to fewer legal cases requiring external counsel than initially anticipated. This resulted in a saving of Rm6,383.

Defence - Vote 23

Statement of Financial Performance

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	55 483 774	52 468 184
Departmental revenue	2	2 028 080	1 265 959
Aid assistance	3	-	150 000
TOTAL REVENUE		57 511 854	53 884 143
EXPENDITURE			
Current expenditure			
Compensation of employees	4	37 644 732	35 295 438
Goods and services	5	16 642 577	14 175 261
Aid assistance	3	-	150 000
Total current expenditure		54 287 309	49 620 699
Transfers and subsidies	7	2 900 888	3 929 599
Expenditure for capital assets			
Tangible capital assets	8	1 240 869	1 319 904
Intangible assets	8	5 851	24 789
Total expenditure for capital assets		1 246 720	1 344 693
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	6	10 561	4 468
TOTAL EXPENDITURE		58 445 478	54 899 459
NET SURPLUS/(DEFICIT) FOR THE YEAR		(933 624)	(1 015 316)
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		(2 961 704)	(2 281 275)
Annual appropriation		(2 961 704)	(2 281 275)
Departmental revenue and NRF Receipts	14	2 028 080	1 265 959
NET SURPLUS/(DEFICIT) FOR THE YEAR		(933 624)	(1 015 316)

Defence - Vote 23

Statement of Financial Position

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets		2 255 655	4 599 990
Cash and cash equivalents	9	368 081	3 414 280
Prepayments and advances	10	738 405	538 923
Receivables	11	1 149 169	646 787
Non-current assets		665 710	739 389
Investments	12	179 156	179 156
Prepayments and advances	10	7 908	74 741
Receivables	11	478 646	485 492
TOTAL ASSETS		2 921 365	5 339 379
LIABILITIES			
Current liabilities		569 020	565 930
Voted funds to be surrendered to the Revenue Fund	13	107 166	92 440
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	167 462	40 779
Payables	15	294 392	432 711
Non-Current liabilities			
Payables	16	35 238	14 911
TOTAL LIABILITIES		604 258	580 841
NET ASSETS		2 317 107	4 758 538
Represented by:			
Capitalisation Reserves		71 992	71 992
Recoverable revenue		960 876	425 878
Retained funds		10 254 886	10 721 909
Unauthorised expenditure		(8 970 647)	(6 461 241)
TOTAL		2 317 107	4 758 538

Defence - Vote 23

Cash Flow Statement

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		57 486 601	53 876 579
Annual appropriated funds received	1.1	55 483 774	52 468 184
Departmental revenue received	2	1 992 441	1 248 941
Interest received	2.3	10 386	9 454
Aid assistance received	3	-	150 000
Net (increase)/decrease in working capital		(773 350)	(142 029)
Surrendered to Revenue Fund		(1 901 397)	(1 372 548)
Current payments		(54 287 309)	(49 620 699)
Payments for financial assets	6	(10 561)	(4 468)
Transfers and subsidies paid		(2 900 888)	(3 929 599)
Net cash flows available from operating activities	17	(2 386 904)	(1 192 764)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(1 246 720)	(1 344 693)
Proceeds from sale of capital assets	2.4	25 253	7 564
(Increase)/decrease in investments		-	-
(Increase)/decrease in non-current receivables	11	6 846	18 085
Net cash flows from investing activities		(1 214 621)	(1 319 044)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		534 999	(136 491)
Increase/(decrease) in non-current payables	16	20 327	11 039
Net cash flows from financing activities		555 326	(125 452)
Net increase/(decrease) in cash and cash equivalents		(3 046 199)	(2 637 260)
Cash and cash equivalents at beginning of period		3 414 280	6 051 540
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	18	368 081	3 414 280

Defence - Vote 23

Statement of Changes in Net Assets

for the year ended 31 March 2025

	2024/25 R'000	2023/24 R'000
NET ASSETS		
Capitalisation Reserves		
Opening balance	71 992	71 992
Transfers:		
Movement in Equity	-	-
Other movements	-	-
Closing balance	<u>71 992</u>	<u>71 992</u>
Recoverable revenue		
Opening balance	425 878	562 369
Transfers	534 999	(136 491)
Recoverable revenue written off	(9 820)	(6 126)
Debts revised	(6 697)	(18 268)
Debts recovered (included in departmental revenue)	(128 241)	(239 967)
Debts raised	679 757	127 870
Closing balance	<u>960 877</u>	<u>425 878</u>
Retained funds		
Opening balance	10 721 909	9 629 520
Transferred to NRF	(23 178)	(6 048)
Retained funds / (funds utilised during the year)	(443 845)	1 098 437
Closing balance	<u>10 254 886</u>	<u>10 721 909</u>
Unauthorised expenditure		
Opening balance	(6 461 241)	(2 995 137)
Unauthorised expenditure - current year	(2 509 407)	(3 466 104)
Relating to overspending of the vote or main division within the vote	(2 509 407)	(3 466 104)
Incurred not in accordance with the purpose of the vote or main division	-	-
Closing balance	<u>(8 970 648)</u>	<u>(6 461 241)</u>
TOTAL	<u><u>2 317 107</u></u>	<u><u>4 758 538</u></u>

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

1. Annual Appropriation

1.1 Annual Appropriation

	Final Budget	Actual Funds Received	2024/25 Funds not requested / not received	Final Budget	Appropriation Received	2023/24 Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
Programmes						
Administration	5 844 887	5 844 887	-	5 439 742	5 439 742	-
Force Employment	7 186 170	7 186 170	-	4 995 796	4 995 796	-
Landward Defence	17 491 818	17 491 818	-	16 735 941	16 735 941	-
Air Defence	6 597 269	6 597 269	-	7 431 228	7 431 228	-
Maritime Defence	4 460 364	4 460 364	-	4 180 103	4 180 103	-
Military Health	5 854 236	5 854 236	-	5 802 042	5 802 042	-
Support						
Defence Intelligence	1 209 643	1 209 643	-	1 076 431	1 076 431	-
General Support	6 839 387	6 839 387	-	6 806 901	6 806 901	-
Total	55 483 774	55 483 774	-	52 468 184	52 468 184	-

2. Departmental Revenue

Sales of goods and services other than capital assets
Fines, penalties and forfeits
Interest, dividends and rent on land
Sales of capital assets
Transactions in financial assets and liabilities
Transfers received
Departmental revenue collected

Note	2024/25 R'000	2023/24 R'000
2.1	533 515	570 717
2.2	1 260	1 731
2.3	10 386	9 454
2.4	25 253	7 564
2.5	46 180	92 626
2.6	1 411 486	583 867
	2 028 080	1 265 959
2		
	532 026	570 194
	8	7
	532 018	570 187
	1 489	523
	533 515	570 717

Included in Other sales is an amount of Rm1,069 (2023/24: Rm153,252) for services rendered to the United Nations (UN) iro Letters of Assist (LOA).

The prior year for Other Sales as well as Sales of scrap, waste and other used current goods has been restated by R384 000 to correctly recognise the amount in terms of the correct SCOA classification.

2.2 Fines, penalties and forfeits

2	1 260	1 731

Fines relate to Fines that are imposed by a Military Court.

2.3 Interest, dividends and rent on land

2	10 386	9 454

Interest earned on commercial bank accounts as well as on interest bearing debtors.

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
2.4 Sales of capital assets	2		
Tangible capital assets			
Specialised military assets		25 253	7 564

Included in Specialised Military Assets Sales is an amount of Rm13 (2023/24: Rm5,4) relating to the sale of redundant equipment and scrap for the Special Defence Account (SDA).

2.5 Transactions in financial assets and liabilities	2		
Forex gain		-	31 910
Other Receipts including Recoverable Revenue		46 180	60 716
Total		46 180	92 626

The Department has an exchange loss for the year under review, therefore no amount reflected in Forex gain.

Included in Other receipts are amounts that were recovered for Debtors, Suppliers in debt and Salaries.

2.6 Transfers received	2		
Foreign governments		1 411 486	583 867

Foreign governments include reimbursements received from (1) the United Nations (UN) for services rendered - Rm408, and (2) the African Union - Rm865.

3. Aid Assistance			
Opening Balance		-	-
Prior period error		-	-
As restated		-	-
Transferred from statement of Financial performance		-	-
Transferred to/from retained funds		-	-
Paid during the year		-	-
Closing balance		-	-

The Department did not receive any aid assistance in the year under review.

3.1 Aid assistance expenditure per economic classification			
Current		-	150 000
Capital		-	-
Transfers and subsidies		-	-
Total aid assistance expenditure		-	150 000

Aid assistance was received in the prior year from the Department of Justice for the deployment of SANDF members and improvement of capabilities in the fight against illegal mining in the prior year.

The Department did not receive any aid assistance in the current financial year.

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
4. Compensation of employees			
4.1 Salaries and wages			
Basic salary		23 037 562	22 230 046
Performance award		3 708	1 222
Service Based		252 497	405 099
Compensative/circumstantial		4 169 215	3 496 762
Periodic payments		25 860	21 169
Other non-pensionable allowances		6 255 514	5 413 303
Total		<u>33 744 356</u>	<u>31 567 601</u>
Included in the total CoE is an amount of Rm6,449 for 2024/25 paid for the five members of legislature (2023/24: Rm4,780 for two members). Two members' compensation stopped when their terms ended in June 2024. Performance awards include payments for the Recognition of Improved Qualifications. Compensative/circumstantial increased due to an increase in the utilisation of Reserve Forces for support in SAPS operations. The Military Skills Development System (MSDS) intake in January 2025 also contributed to the increase. Other non-pensionable allowances increased as a result of the implementation of the salary increases for the 2024/25 financial year.			
4.2 Social contributions			
Employer contributions			
Pension		3 625 297	3 491 423
Medical		274 002	235 334
Bargaining council		1 077	1 080
Total		<u>3 900 376</u>	<u>3 727 837</u>
Total compensation of employees		<u>37 644 732</u>	<u>35 295 438</u>
Average number of employees		<u>68 408</u>	<u>68 278</u>

Medical contributions increased due the annual increase of 6,4% wef January 2024 and 6% wef January 2025.

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
5. Goods and services			
Administrative fees		28 503	24 650
Advertising		19 962	20 129
Minor Assets	5.1	31 300	67 671
Catering		24 279	26 335
Communication		113 643	85 536
Computer services	5.2	740 795	734 294
Consultants: Business and advisory services		252 210	348 488
Infrastructure and planning services		455	120
Laboratory services		64 709	67 644
Scientific and technological services		801 204	688 969
Legal services		27 098	26 181
Contractors		2 031 776	1 502 096
Agency and support / outsourced services		725 201	822 956
Entertainment		2 406	1 944
Audit cost – external	5.3	78 865	82 970
Fleet services		166 819	140 504
Inventories	5.4	3 814 824	3 081 516
Consumables	5.5	225 036	195 941
Operating leases		1 695 561	1 341 757
Property payments	5.6	1 740 462	1 531 384
Rental and hiring		22 048	25 478
Travel and subsistence	5.7	2 367 117	1 969 252
Venues and facilities		21 216	16 644
Training and development		162 652	125 411
Other operating expenditure	5.8	1 484 436	1 247 391
Total		16 642 577	14 175 261

The overall increase is mainly as a result of the increase of Municipal charges as approved by NERSA and the Accommodation charges paid to DPWI.

Other operating expenditure includes expenditure of a sensitive nature.

5.1 Minor assets	5		
Tangible capital assets		31 054	67 600
Buildings and other fixed structures		51	54
Machinery and equipment		30 971	67 449
Specialised military assets		32	97
Intangible capital assets		246	71
Software		246	71
Total		31 300	67 671

Machinery and equipment includes transport assets, which was previously a separate line item on the note.

5.2 Computer services	5		
SITA computer services		683 968	655 290
External computer service providers		56 827	79 004
Total		740 795	734 294

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
5.3 Audit cost – external	5		
Regularity audits		65 320	78 031
Environmental audits		-	-
Computer audits		13 545	4 939
Total		<u>78 865</u>	<u>82 970</u>

The prior year for Regularity audits has been increased with R6 995 818 and Computer audits decreased due to a classification error into the SCOA classification.

5.4 Inventories	5		
Clothing material and accessories		166 112	86 900
Farming supplies		3 699	2 945
Food and food supplies		1 992 385	1 644 783
Fuel, oil and gas		665 347	658 732
Materials and supplies		68 776	77 187
Medical supplies		57 680	57 666
Medicine		187 304	229 116
Other supplies	5.4.1	673 521	324 187
Total		<u>3 814 824</u>	<u>3 081 516</u>

5.4.1 Other Supplies			
Other		673 521	324 187
Total	5.4	<u>673 521</u>	<u>324 187</u>

Included in Other are payments relating to e.g. Laboratory Chemicals and Supplies, Military Stores, Aircraft accessories, Naval Components etc.

5.5 Consumables	5		
Consumables supplies		170 582	145 331
Uniform and clothing		997	1 064
Household supplies		67 219	54 390
Building material and supplies		22 795	19 283
IT consumables		68 242	62 907
Other consumables		11 329	7 687
Stationary, printing and office supplies		54 454	50 610
Total		<u>225 036</u>	<u>195 941</u>

Included in Other consumables are payments relating to e.g. linen for hospitals, gas supplies, toners and cartridges etc.

5.6 Property payments	5		
Municipal services		1 559 498	1 441 408
Property maintenance and repairs		135 203	48 007
Other		45 761	41 969
Total		<u>1 740 462</u>	<u>1 531 384</u>

Municipal charges increased due to the approved increases by NERSA, as well as accommodation charges paid to DPWI.

Included in Other are payments for Cleaning Services, Gardening Services, Laundry Services etc.

5.7 Travel and subsistence	5		
Local		1 847 760	1 665 586
Foreign		519 357	303 666
Total		<u>2 367 117</u>	<u>1 969 252</u>

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
5.8 Other operating expenditure	5		
Professional bodies, membership and subscription fees		3 977	3 495
Resettlement costs		59 184	65 226
Other		1 421 275	1 178 670
Total		<u>1 484 436</u>	<u>1 247 391</u>

Included in Other are payments for Air Charter, Courier Services, Freight Services, Printing Services etc.

6. Payments for financial assets			
Debts written off	6.1	4 766	4 468
Forex losses	6.2	5 795	-
Total		<u>10 561</u>	<u>4 468</u>

6.1 Debts written off	6		
Other debt written off			
Suppliers in debt		-	104
Salary related / overpayments		4 758	3 938
Estates		7	403
Loss of state funds		1	23
Total debt written off		<u>4 766</u>	<u>4 468</u>

Salary related write offs increased as a result of the prescription of cases.

6.2 Forex losses	6		
Nature of losses			
Forex Losses (GDA)		4 857	-
Forex Losses (SDA)		938	-
Total		<u>5 795</u>	<u>-</u>

The Department has incurred a foreign exchange loss for the financial year due to the negative fluctuations of the Rand against other currencies, mainly the USD.

7. Transfers and subsidies			
Provinces and municipalities	34 / Annex 1A	179	151
Departmental agencies and accounts	Annex 1B	38 644	83 547
Foreign governments and international organisations	Annex 1D	755 004	77 628
Public corporations and private enterprises	Annex 1C	1 401 396	1 446 354
Non-profit institutions	Annex 1E	4 363	4 709
Households	Annex 1F	701 302	2 317 210
Total		<u>2 900 888</u>	<u>3 929 599</u>

Foreign governments and international organisations' increase is due to the contribution of the RSA to the Southern Africa Development Community Secretariat (SADC).

Households decreased as a result of fewer officials leaving the Department bmo an exit mechanism for early retirement.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
8. Expenditure for capital assets			
Tangible capital assets		1 240 869	1 319 904
Buildings and other fixed structures		118 876	494 167
Machinery and equipment		941 264	628 165
Specialised military assets		180 729	197 016
Biological assets		-	556
Intangible capital assets		5 851	24 789
Software		5 851	24 789
Total		1 246 720	1 344 693

The increase in Machinery and equipment, which includes Transport assets such as buses, trucks and emergency vehicles, was primarily driven by the need to support internal and external military operations. The investment is essential for maintaining operational readiness and ensuring the effective deployment of forces.

	Voted Funds R'000	Aid assistance R'000	Total R'000
8.1 Analysis of funds utilised to acquire capital assets – 2024/25			
Tangible capital assets	1 240 869	-	1 240 869
Buildings and other fixed structures	118 876	-	118 876
Machinery and equipment	941 264	-	941 264
Specialised military assets	180 729	-	180 729
Biological assets	-	-	-
Intangible capital assets	5 851	-	5 851
Software	5 851	-	5 851
Total	1 246 720	-	1 246 720

	Voted Funds R'000	Aid assistance R'000	Total R'000
8.2 Analysis of funds utilised to acquire capital assets – 2023/24			
Tangible capital assets	1 319 904	-	1 319 904
Buildings and other fixed structures	494 167	-	494 167
Machinery and equipment	628 165	-	628 165
Specialised military assets	197 016	-	197 016
Biological assets	556	-	556
Intangible capital assets	24 789	-	24 789
Software	24 789	-	24 789
Total	1 344 693	-	1 344 693

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
8.3 Finance lease expenditure included in Expenditure for capital assets			
Tangible capital assets			
Machinery and equipment		54 908	50 967
9. Cash and cash equivalents			
Consolidated Paymaster General Account		127 043	3 089 794
Cash on hand		96 947	181 902
Investments (Domestic)		144 091	142 584
Total		368 081	3 414 280
The significant decrease in the consolidated Paymaster General Account can be attributed to (1) the over expenditure in CoE and (2) the Vote of the SDA which decreased with Rm640,880.			
Cash on hand decreased due to the termination of Operation VIKELA and the standby safe at SAAF HQ.			
10. Prepayments and advances			
Staff advances		4 051	30 874
Travel and subsistence		240 359	200 094
Prepayments (Not expensed)	10.2	54 341	-
Advances paid (Not expensed)	10.1	447 562	382 696
Total		746 313	613 664
Analysis of Total Prepayments and advances			
Current Prepayments and advances		738 405	538 923
Non-current Prepayments and advances		7 908	74 741
Total		746 313	613 664

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

10.1 Advances Paid (Not expensed)		Balance as at 01 April 2024	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Balance as at 31 March 2025
	Note	R'000	R'000	R'000	R'000	R'000
National departments	10	339 974	(482 138)	-	314 528	172 364
Public entities		-	(31 604)	-	61 623	30 019
Other institutions		42 722	(92 721)	-	295 178	245 179
Total		382 696	(606 463)	-	671 329	447 562

The advance payments to National departments is made to the Department of International Relations and Cooperation (DIRCO) for the administration of the Military Attachés.

The advance payment to Other institutions is made to a Travel Agent (AB Logistics) for services to be rendered to the Department. The advance is cleared when invoices are received from AB Logistics.

Advances Paid (Not expensed)		Balance as at 01 April 2023	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Balance as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
National departments	10	266 483	(210 895)	-	284 386	339 974
Other institutions		42 722	(114 799)	-	114 799	42 722
Total		309 205	(325 694)	-	399 185	382 696

The advance payment to Other institutions is made to a Travel Agent (AB Logistics) for services to be rendered to the Department. The advance is cleared when invoices are received from AB Logistics.

10.2 Prepayments (Not Expensed)		Balance as at 01 April 2024	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year prepayments	Balance as at 31 March 2025
		R'000	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>						
Goods and services		-	(7 779)	-	62 120	54 341
Capital assets		-	(2 994)	-	2 994	-
Total		-	(10 773)	-	65 114	54 341

As a result of contractual obligations, ARMSCOR made prepayments to Other institutions on behalf of the SDA. Prepayments are closely monitored by project managers against these milestone deliverables.

Prepayments (Not Expensed)		Balance as at 01 April 2023	Less: Received in the current year	Add / Less: Other	Add: Current Year prepayments	Balance as at 31 March 2024
		R'000	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>						
Goods and services		-	-	-	-	-
Capital assets		-	-	-	-	-
Total		-	-	-	-	-

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

10.3 Prepayments (Expensed)	Balance as at 01 April 2024	Less: expensed in the current year	Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>				
Goods and services	147 579	(9 878)	-	137 701
Capital assets	714	(44)	-	670
Total	148 293	(9 922)	-	138 371

As a result of contractual obligations, ARMSCOR made prepayments to Other institutions on behalf of the SDA which have been expensed. Prepayments are closely monitored by project managers against these milestone deliverables.

Prepayments (Expensed)	Balance as at 01 April 2023	Less: Received in the 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
<i>Listed by economic classification</i>					
Goods and services	175 546	(27 967)	-	-	147 579
Capital assets	2 249	(1 535)	-	-	714
Total	177 795	(29 502)	-	-	148 293

As a result of contractual obligations, ARMSCOR made prepayments to Other institutions on behalf of the SDA which have been expensed. Prepayments are closely monitored by project managers against these milestone deliverables.

10.4 Advances Paid (Expensed)	Balance as at 01 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Public entities	2 513 322	(612 718)	-	1 900 604
Total	2 513 322	(612 718)	-	1 900 604

As a result of contractual obligations, ARMSCOR made advanced payments to Public entities on behalf of the SDA which have been expensed. Advances are closely monitored by project managers against these milestone deliverables.

Advances Paid (Expensed)	Balance as at 01 April 2023	Less: Received in the current year	Add / Less: Other	Add: Current Year advances	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Public entities	2 539 795	(53 091)	26 618	-	2 513 322
Total	2 539 795	(53 091)	26 618	-	2 513 322

As a result of contractual obligations, ARMSCOR made advance payments to Public entities on behalf of the SDA which have been expensed. Advance payments are closely monitored by project managers against these milestones deliverables.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

11. Receivables

	Note	2024/25			2023/24		
		Current R'000	Non-Current R'000	Total R'000	Current R'000	Non-Current R'000	Total R'000
Claims recoverable	11.1 & Annex 4	369 714	146 101	515 815	165 261	161 207	326 468
Staff debt	11.2	132 690	69 230	201 920	124 853	61 946	186 799
Other receivables	11.3	646 765	263 315	910 080	356 673	262 339	619 012
Total		1 149 169	478 646	1 627 815	646 787	485 492	1 132 279

	2024/25 R'000	2023/24 R'000
11.1 Claims recoverable		
National departments	425 552	326 037
Provincial departments	90 053	431
Local governments	210	-
Total	515 815	326 468

National departments include claims for DPWI and Department of Military Veterans for services rendered.

11.2 Staff debt		
Study loans - Students	18 513	19 337
Damage to state property	179	323
Loss of state money	1 510	1 496
Miscellaneous (Legal Costs)	119	119
Motor vehicle accidents	4 716	4 365
Private patients	112	91
Salary Related	139 456	146 014
Salary overpayments	2 296	3 038
Subsidised motor vehicle scheme	35	31
Travel and subsistence	34 984	11 985
Total	201 920	186 799

Included in Miscellaneous are - Recovery of legal cost incurred by the state after the applicant's case against the state was dismissed with costs.

Loss of state money - Amounts identified as shortages in the cash offices are raised on suspense accounts awaiting finalisation of investigations to be either recovered from an employee or written off.

Salary related debts - Include car purchases, school fees, cost of living expenses for military attaches and their families living abroad. Money is advanced and deducted over a period ranging from 12 to 36 months.

Travel and subsistence - Transactions relating to Foreign travel awaiting reconciliation documentation from officials.

Salary related and Salary overpayments were previously recognised in one line due to space limitations. This has now been split into two.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	2024/25 R'000	2023/24 R'000
11.3 Other receivables		
ARMSCOR receivables	542 082	9 860
Aviation fuel	1 457	9 329
Aviation Services	3	342
Study loans - Students	83 542	90 299
Damage to state property	186	103
DI suspense account	991	1 011
Estates	996	1 054
ARMSCOR Foreign Exchange Adjustments	10 935	6 822
Loss of state money / property	8 795	6 897
Medical claims	1 364	1 364
Medical Embassy	294	235
Medical United Nations	115	115
Motor Vehicle accidents	10 423	9 577
Operations	178	178
Private institutions	11	85
Private patients	893	853
Salary overpayments	36 327	35 035
Salary related	57 389	294 212
Suppliers	36 185	389
Suppliers in debt	21 911	21 795
ARMSCOR suspense accounts	20 647	6 443
UN Services Rendered LOA	75 312	75 312
Unallocated deposits	1	14
Clearing account	-	47 688
Marketing support	43	-
Total	<u>910 080</u>	<u>619 012</u>

Salary related debts decreased due to the finalisation of documentation of members exiting via the Military Exit Mechanism (MEM).

Included in ARMSCOR receivables is an advance recovery for Project Hoefyster. The amount will be paid to the Department in FY2025/26.

Salary overpayments for the FY2024/2025 - 46 cases were raised as debts. One case to the amount of R148 050 was not reported, due to system limitations the debt will be raised in the FY2025/2026.

11.4 Impairment of receivables		
Estimate of impairment of receivables	145 810	159 572
Total	<u>145 810</u>	<u>159 572</u>

At the end of the reporting date the Department assesses whether there is objective evidence that a financial asset should be considered for impairment.

Impairment estimates are determined by estimating the present value (PV) of the expected future inflow of cash that is expected in settlement of the financial asset. PV is determined by using the prevailing interest rate at the reporting date.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	2024/25 R'000	2023/24 R'000
12. Investments		
Non-Current		
Shares and other equity		
ARMSCOR	75 000	75 000
Special Defence activities	104 156	104 156
Total	<u>179 156</u>	<u>179 156</u>
Analysis of non-current investments		
Opening balance	179 156	179 156
Additions in cash	-	-
Disposals for cash	-	-
Non-cash movements	-	-
Closing balance	<u>179 156</u>	<u>179 156</u>
An impairment test performed on the Investment in ARMSCOR, based on FY2024/25 Annual Financial Statements, indicates no impairment.		
An impairment test performed on the Special Defence activities, based on sensitive information, indicates no impairment.		
13. Voted funds to be surrendered to the Revenue Fund		
Opening balance	92 440	-
Prior period error	-	-
As restated	92 440	-
Transfer from Statement of Financial Performance (as restated)	(2 961 704)	(2 281 275)
Add: Unauthorised expenditure for current year	2 509 407	3 466 104
Transferred to retained revenue	467 023	(1 092 389)
Paid during the year	-	-
Closing balance	<u>107 166</u>	<u>92 440</u>
14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		
Opening balance	40 779	147 368
Prior period error	-	-
As restated	40 779	147 368
Transfer from Statement of Financial Performance	2 028 080	1 265 959
Paid during the year	(1 901 397)	(1 372 548)
Closing balance	<u>167 462</u>	<u>40 779</u>

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
15. Payables - current			
Advances received	15.1	-	81 927
Clearing accounts	15.2	138	67
Other payables	15.3	294 254	350 717
Total		<u>294 392</u>	<u>432 711</u>
15.1 Advances received			
Provincial departments	Annex 8B	-	81 927
Total		<u>-</u>	<u>81 927</u>

Advance received in the prior year from the Gauteng Provincial Department - Community Safety for training of Traffic Wardens.

15.2 Clearing accounts			
Salary related		115	48
Subsidised Motor Vehicle Scheme		6	-
Suppliers		17	19
Total		<u>138</u>	<u>67</u>

Clearing accounts are utilised for transactions that have not been finalised due to outstanding supporting documentation at the reporting date.

15.3 Other payables			
Compliance programme		31	29
ARMSCOR contract creditors		97 010	87 756
Debtors in credit		11	-
Salary related		80 638	247 870
Suppliers / Creditors		82 199	11 694
Travel and subsistence		21 418	3 144
Unallocated credits		8	43
Unallocated deposits		12 939	181
Total		<u>294 254</u>	<u>350 717</u>

Salary related payables relate to money due to the DOD members' which are awaiting documentation or correct banking details so that the final reconciliation and ultimately the payment to the employees can be made.

ARMSCOR - Penalties for non-compliance by service providers, are held in a suspense account until the contract is finalised or either paid back to the supplier or surrendered to revenue.

	Note	2024/25				2023/24
		One to two years R'000	Two to three years R'000	More than three years R'000	Total R'000	Total R'000
16. Payables non-current						
Other payables	16.1	28 114	5 958	1 166	35 238	14 911
Total		<u>28 114</u>	<u>5 958</u>	<u>1 166</u>	<u>35 238</u>	<u>14 911</u>

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
16.1 Other Payables	16		
Salary related		35 054	14 652
Suppliers		-	98
Travel & subsistence		184	115
Unallocated deposits		-	46
Total		<u>35 238</u>	<u>14 911</u>
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		(933 624)	(1 015 316)
Add back non cash/cash movements not deemed operating activities		(1 453 280)	(177 448)
(Increase)/decrease in receivables		(502 382)	(222 774)
(Increase)/decrease in prepayments and advances		(132 649)	(84 176)
Increase/(decrease) in payables – current		(138 319)	164 921
Proceeds from sale of capital assets		(25 253)	(7 564)
Expenditure on capital assets		1 246 720	1 344 693
Surrenders to Revenue Fund		(1 901 397)	(1 372 548)
Net cash flow generated by operating activities		<u>(2 386 904)</u>	<u>(1 192 764)</u>
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		127 043	3 089 794
Cash on hand		96 947	181 902
Cash with commercial banks (Local)		144 091	142 584
Total		<u>368 081</u>	<u>3 414 280</u>

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

		Note	2024/25 R'000	2023/24 R'000
19. Contingent liabilities and contingent assets				
19.1 Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	378	576
Claims against the department		Annex 3B	6 119 585	6 296 670
Intergovernmental payables (unconfirmed balances)		Annex 5	3 352 508	88
Environmental rehabilitation liability		Annex 3B	1 631 771	1 580 977
Total			<u>11 104 242</u>	<u>7 878 311</u>

Housing

- Not possible to determine any outflow, as the outflow would depend on the non-payments made by Defence employees to Bond institutions.

Claims against the department

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the third parties.
- These are contingent liabilities hence, we cannot be certain as to the timing of the outflow of the related resources / amounts.
- There was no possibility for any reimbursements as at 31 March 2025.

Special Defence Account (SDA)

- The claim against the SDA relates to a commission claim of EUR 192 180 623 with a rand value of R3 819 442 091 (1 Euro = R19.874231) (2023/24: R3 946 611 276). The matter is defended in the Civil Court of Lisbon, Portugal.
 - 2018/19. The Plaintiff filed an application in the High Court in Pretoria to compel the Auditor-General of South Africa to make available certain documentation alleged to be relevant to the litigation in Portugal. ARMSCOR, as the second respondent is opposed to the application. The Applicant in this matter did not apply for a court date.
 - 2019/20. In respect of the main application which was to be heard in Lisbon, all the preliminary work was done.
 - 2022/23. The expert report was submitted to the Lisbon Court. The matter was enrolled for trial for 13 - 17 March 2023. The preparation for the hearing started during January 2023.
 - 2023/24. The matter was before Court on 13 - 23 September 2023. The matter was adjourned for preparation of the heads of argument which were submitted end of November 2023.
 - 2024/25. Judgement granted in ARMSCOR'S favour by the Civil Court of Lisbon. The Plaintiff employed new legal representatives and filed an appeal challenging the Court's decision on the facts and thus seeking to amend the scope and/or extent of certain facts. ARMSCOR'S legal representatives have filed the response to the appeal in the Civil Court of Lisbon.
- The claim against the SDA relates to a contractual cancellation to the amount of R381 900 000 (2023/24: R381 900 000). ARMSCOR is defending the matter. ARMSCOR has filed a Notice of Exception. The Plaintiff has appointed new attorneys of record on several occasions and has amended the particulars of claim. ARMSCOR has filed an exception to the amended particulars and has not received a response to its Exception.
- The claim against the SDA which related to a bid in respect of a tender for the Procurement of General Hospital Equipment for SAMHS to the amount of R7 415 624 (2023/24: R7 415 624). The claim will now be removed as there has been no movement during the last two quarters and ARMSCOR is of the opinion that the Plaintiff has abandoned the claim.

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Notes to the Annual Financial Statements

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Intergovernmental payables

- Included in Intergovernmental payables (unconfirmed balances) is a disputed amount of Rb3,348 which relates to claims that cannot be confirmed at the reporting date. The inability of DPWI to provide the Department with itemised billing, makes the verification and payment process difficult.
- The Department has embarked on a verification process in conjunction with the DPWI to determine the exact amount due to DPWI. This process requires reconciliations to be performed based on information requested from DPWI. There are also claims that are of a historical nature which emanate from before the function was devolved from DPWI to the Department, which has to be investigated and resolved.

Environmental Liability

UXO contamination and rehabilitation

- As at 31 March 2025, the Department had a contingent liability in respect of the potential environmental rehabilitation of the unexploded ordnance at SANDF facilities. In terms of the requirements of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA), specifically Section 28(1). This section imposes a duty of care to take reasonable measures to prevent, minimise, and remediate environmental degradation associated with operational activities.
- To assess the extent of this obligation, the SANDF undertook a project to estimate the cost of rehabilitating the land, which was accepted to be the baseline cost as determined from February 2012. The estimate changes annually based on the escalation of the baseline costs using the CPIX, therefore an increase.
- Given that these testing facilities are strategic Defence testing facilities with no current intention to cease operations, the Department has elected to comply with NEMA by managing environmental impacts through ongoing post-training surface sweeps and digging up minor spillages. The field exercises are planned in such a way so as to allow for natural revegetation and soil stabilisation. Thus, the contingent liability for the rehabilitation under this option has been estimated at R857 808 309.

Fuel contamination. The Department is currently in process of identifying and assessing all military facilities with a fuel capability, to determine whether there are any possible contamination of soil resulting in underground water issues that could result in a possible contingent liability.

Mobile assets accidents (MAA). The MAA register was changed during the Audit of the financial statements due to subsequent events identified after the submission date of 31 March 2025.

Civil Claims:

S/N	Type of Claim	Amounts
8	Shooting during Exercise and Operation	49 850 000.00
130	Unlawful assault, arrest, detention, and prosecution	436 103 789.80
8	Breach, cancellation and termination of contracts and services	149 027 790.44
9	Loss of support due to collision of vehicles and helicopters	17 337 081.90
59	HR and labour related claims	644 332 809.26
29	Damages, explosions and fire	245 522 587.24
6	Personal injuries	18 344 431.14
31	Medical negligence	145 523 501.60
50	Underpaid and unpaid invoices for services rendered	200 710 820.71
229	MAA	11 490 296.94
559	Total	<u>1 918 243 109.03</u>

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	2024/25 R'000	2023/24 R'000
19.2 Contingent assets		
Nature of contingent asset		
Claim against SANDU due to damage to Military Police Vehicles during a protest	-	147
Breach of contract	3	1 330
Expired ration packs (Claim against the supplier)	28 837	28 837
Overpayment to supplier	8 916	8 916
Outboard engines not delivered to the Department (SDA)	1 475	1 475
Damage to state property	50	-
Total	<u>39 281</u>	<u>40 705</u>

Contingent Assets

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the DOD.
- These are Contingent Assets hence, we cannot be certain as to the timing of the inflow of the related resources / amounts.
- There was no possibility for any cancellation of these claims by the DOD as at 31 March 2025.

20. Capital Commitments		
Buildings and other fixed structures	229 923	617 587
Machinery and equipment	941 248	491 704
Specialised military assets	10 018 902	9 093 448
Intangible assets	4 761	4 317
Total	<u>11 194 834</u>	<u>10 207 056</u>

The amount relating to Specialised Military Assets are for the Strategic Defence Packages capital commitments at prevailing exchange rates at the reporting date, excluding escalation and other additional costs.

The increase in Machinery and Equipment and Specialised military assets is due to more orders being placed in relation to these categories, whilst there was also delays by contractors in fulfilling their obligations.

	2024/25 R'000	2023/24 R'000
21. Accruals and Payables not recognised		
21.1 Accruals		
Listed by economic classification	30 Days R'000	30+ Days R'000
	Total R'000	Total R'000
Goods and services	151 761	10 085
Capital assets	30 338	15 790
Total	<u>182 099</u>	<u>25 875</u>
	207 974	207 974
Listed by programme level		
Administration	25 543	6 791
Landward Defence	15 974	47 749
Air Defence	25 404	1 375
Maritime Defence	59 059	2 088
Military Health Support	21 743	1 519
Defence Intelligence	3 074	37
General Support	42 610	9 807
Force Employment	14 567	2 567
Total	<u>207 974</u>	<u>71 933</u>

The prior year - Administration has been restated with Rm15,557 due to incorrect recording as an accrual instead of a payable.

The increase is due to expenditure for property payments incurred in March 2025, paid in April 2025 as well as other goods received within the SA Navy and SAMHS environment, also received in March 2025 paid in April 2025.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
21.2 Payables not recognised			
Listed by economic classification			
	30 Days R'000	30+ Days R'000	Total R'000
Goods and services	264 235	20 617	284 852
Transfers and subsidies	-	9 515	9 515
Capital assets	19 656	55 613	75 269
Total	283 891	85 745	369 636
Listed by programme level			
Administration			87 206
Landward Defence			51 792
Air Defence			31 641
Maritime Defence			7 676
Military Health Support			27 477
Defence Intelligence			120
General Support			145 422
Force Employment			18 302
Total			369 636

The prior year - Administration has been restated with Rm15,557 due to incorrect recording as an accrual instead of a payable.

Increase is due to payments for buildings paid after 30 days, as well as invoices for software licenses and other computer services received in March 2025 and paid in April 2025.

Included in the above totals are the following:

Confirmed balances with departments	Annex 5	117 997	2 211
Confirmed balances with other government entities	Annex 5	-	-
Total		117 997	2 211

Confirmed balances relate to the Department of Justice and Constitutional Development for services rendered by the State Attorneys, as well as DPWI for Municipal services, Capital Works Projects and Accommodation Charges.

22. Employee benefits			
Leave entitlement		1 499 507	1 353 966
Service bonus		1 023 257	982 423
Performance awards		-	-
Capped leave		483 444	566 826
Other		245 283	213 505
Total		3 251 491	3 116 720

Included in the above amount of leave entitlement are negative balances of R58 017 980 for FY2024/25 (2023/24: R R58 393 245).

An employee is entitled to annual leave days within a calendar year. Should the employee have utilised more leave than what has accrued to the employee at the reporting date, this would result in the employee owing the Department which results in negative leave credits.

The prior year Other has been restated with R15 557 000, as the amount was incorrectly included in this line item. It should have been included in Payables not recognised.

Included in the above totals are the following:

Confirmed balances with departments	Annex 5	37	-
Confirmed balances with other government entities	Annex 5	-	-
Total		37	-

Confirmed balances relate to Department of Social Development Gauteng and Department of Health Mpumalanga for interdepartmental transfers not finalised at the reporting date.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

23. Lease Commitments

23.1 Finance leases

2024/25	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	165 399	165 399
Later than 1 year and not later than 5 years	-	-	-	164 878	164 878
Total lease commitments	-	-	-	330 277	330 277

2023/24	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	65 827	65 827
Later than 1 year and not later than 5 years	-	-	-	89 240	89 240
Total lease commitments	-	-	-	155 067	155 067

The Department is not aware of any sub-leased assets.

	2024/25 R'000	2023/24 R'000
24. Accrued departmental revenue		
Transfers received	174 741	239 060
Total	174 741	239 060

The prior year has been restated due to penalties deducted from personnel reimbursements.

24.1 Analysis of accrued departmental revenue

Opening balance	239 060	96 133
Less: Amounts received	518 933	393 366
Add: Amounts recorded	549 382	601 054
Less: Amounts written off / reversed as irrecoverable	94 768	64 761
Closing balance	174 741	239 060

The prior year has been restated due to penalties deducted from personnel reimbursements.

24.2 Accrued departmental revenue written off

Penalty imposed by the UN	94 768	64 761

The amount represents actual penalties deducted from the revenue of the DOD for unserviceable equipment.

24.3 Impairment of accrued departmental revenue

Estimate of impairment of accrued departmental revenue	38 999	73 728

Estimate is based on 22.07% of last two quarters. The amount represents a provision for penalties still to be deducted due to unserviceable equipment.

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for the year ended 31 March 2025

	2024/25 R'000	2023/24 R'000
25. Unauthorised, Irregular and Fruitless and wasteful expenditure		
Unauthorised expenditure	2 509 407	3 466 104
Irregular expenditure	123 820	386 957
Fruitless and wasteful expenditure	29	50 920
Total	<u>2 633 256</u>	<u>3 903 981</u>

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

Unauthorised expenditure to the amount of Rb2,509 has been incurred due to the underfunding of the CoE allocation ceiling which resulted in the overspending of the adjusted appropriated vote. The prior year has been restated by Rm92,440 to include the correct amount for CoE expenditure.

Irregular expenditure Prior Year was adjusted with R48 468 831.32:

- 1) To include R1 897 044.88 which was under assessment in the FY2023/2024, and
- 2) To include R46 571 786.44 which relate to FY2023/24, identified in FY2024/2025.

Fruitless and wasteful expenditure prior year was adjusted with R14 962.82:

- 1) To include R2 607.26 which was under assessment in the FY2023/24, and
- 2) To include R13 965.56 which relates to FY2023/2024, identified in the FY2024/2025,
- 3) To exclude R1 610.00 which was incorrectly disclosed in the FY2023/2024.

26. Identification and nature of related party relationship

As at 31 March 2025 the DOD had the following related parties, namely the:

- President of the RSA;
- Deputy President of the RSA;
- Cabinet of the Government of the RSA, including the Ministers of all National Departments;
- National Departments;
- Public Entities resorting under the National Departments;
- Public Entities resorting under the portfolio of the Minister of Defence and Military Veterans, these being:
 - The DOD has a related party transaction with the Armaments Corporation of South Africa Limited (ARMSCOR), including its subsidiaries, joint ventures or units under its control.
 - The relationship between the DOD and ARMSCOR is at arm's length, where the Department transfers funds to ARMSCOR (as disclosed in Note 7) in their mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of Defence Matériel related products and services.
 - Castle Control Board (CCB);
 - South African National Defence Force Fund (SANDF);
 - South African (SA) Army Foundation.
- Reserve Force Council
- Key Management Personnel
As per clarification letter from the National Treasury dated 31 March 2009, DOD Funds (messes, clubs, regimental funds, etc.) are not regarded as related parties.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

Related party transactions

The Department is not aware of any related party transactions (i.e. transactions not at arm's length) that occurred during the period between the Department and the President of the RSA; the Deputy President of the RSA; the Cabinet of the Government of the RSA, including the Ministers of all National Departments; National Departments and Public Entities falling under these departments.

During the period the following related party transactions occurred between the Department and the CCB:

- The CCB is mandated in terms of the Castle Management Act, 1993 (Act 207 of 1993), to govern and manage the Castle of Good Hope on behalf of the Minister of Defence and Military Veterans. The CCB is housed and located in the Castle of Good Hope, Cape Town.
- The following entities and activities occupy or utilise parts of the Castle of Good Hope, at no consideration to the Department, however in some instances consideration is paid to the CCB:
 - Die Goewerneur restaurant,
 - Waterblommetjie restaurant,
 - Castle Forge,
 - Carriage rides,
 - Castle Military Museum,
 - Souvenir shop,
 - Iziko Museum of Cape Town,
 - The Western Cape Army Support Base (forming part of the Department) supplied guards to the CCB to guard the Castle of Good Hope and to perform ceremonial duties at no charge,
 - Defence Reserves Provincial Office Western Cape,
 - SA Heritage Resources Agency (SAHRA),
 - Good Hope Art Studio,
 - Five Reserve Force Regiments.
- The Department provides management and administrative support to the SANDF Fund at no consideration.
- The Department is not aware of any related party transactions that might have occurred during the period between the Department and the Reserve Force Council.
- The Department did not identify any related party transactions during the period between the Department and its key management personnel (other than normal salary related cost as disclosed in note 27), as well as the entities under the control, joint control or significant influence of key management personnel of the Department.

During the period the following related party transactions occurred between the Department and the State Information Technology Agency SOC Ltd. (SITA):

- The Department and SITA have a business agreement which governs the relationship between SITA and the DOD. Included in this agreement is the provisioning of accommodation by SITA and the DOD to officials from both parties to enhance service delivery and which is mutually beneficial, at no cost to either party.

The South African (SA) Army Foundation:

- The DOD mandated the SA Army Foundation to facilitate the process of acquiring a lease for the residential, training, catering, conference, events and ancillary purposes of the Department. The undermentioned company was identified by the SA Army Foundation:
 - Dadzani Pty Ltd. A five year lease was entered into between Dadzani Pty Ltd and the Department from 07 February 2022 until 04 February 2027.
- However the lease agreement with Dadzani Pty Ltd was terminated in February 2024 when the Department purchased the property from Greymont Investments CC. The transfer took place on 15 January 2024.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

	2024/25 R'000	2023/24 R'000
27. Key management personnel		
Description		
Political Office Bearers:	6 449	4 780
Officials:		
Level 15 to 16	21 540	22 091
Level 14	19 050	15 571
Level 11 to 13	12 714	11 134
Family members of key management personnel	3 153	951
Total	<u>62 906</u>	<u>54 527</u>

The increase in Political office bearers is as a result of five members (Rm6,449) of legislature vs 2023/24: Rm4,780 for two members. Two members' compensation stopped when their terms ended in June 2024.

28. Provisions		
Mobile Assets Accidents (MAA) / Civil Claims GDA	59 506	259 087
ARMSCOR Rate of Exchange differences SDA	304 645	403 903
Environmental Liability - Aviation fuel contamination	255 837	249 346
ARMSCOR retention fees SDA / GDA	24 136	23 143
Total	<u>644 124</u>	<u>935 479</u>

Reconciliation of movement in provisions – 2024/25

	ARMSCOR retention fees SDA / GDA	Environmental Liability – Aviation fuel contamination	ARMSCOR Rate of Exchange differences SDA	MAA / Civil Claims GDA	Total Provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	23 143	249 346	403 903	259 087	935 479
Increase in provision	18 254	-	-	10 137	28 391
Settlement of provision	(17 261)	-	(21 167)	(209 718)	(248 146)
Change in provision due to change in estimation of inputs	-	6 491	(78 091)	-	(71 600)
Closing balance	<u>24 136</u>	<u>255 837</u>	<u>304 645</u>	<u>59 506</u>	<u>644 124</u>

Reconciliation of movement in provisions – 2023/24

	ARMSCOR retention fees SDA / GDA	Environmental Liability – Aviation fuel contamination	ARMSCOR Rate of Exchange differences SDA	MAA / Civil Claims GDA	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	20 667	238 526	193 842	215	453 250
Increase in provision	12 052	-	-	259 024	271 076
Settlement of provision	(9 576)	-	(42 028)	(152)	(51 756)
Change in provision due to change in estimation of inputs	-	10 820	252 089	-	262 909
Closing balance	<u>23 143</u>	<u>249 346</u>	<u>403 903</u>	<u>259 087</u>	<u>935 479</u>

ARMSCOR retention fees

- ARMSCOR, prior to September 2014 withheld 10% in retention fees for suppliers that are not BEE compliant.
- Once the supplier has submitted proof that the company is compliant, the retention fee is released.

ARMSCOR Rate of Exchange differences

- The prior year amount of the "Change in provision due to change in estimation of inputs" for ARMSCOR Rate of Exchange differences has been adjusted with Rm964 due to an error.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

MAA / Civil Claims GDA

- Civil Claims. A case for Civil Claims is partly paid and has an outstanding balance that is still under investigation.
- MAA. One case is awaiting banking details from the claimant, the other cases have warrant of execution and awaiting units to confirm and provide accident report and the name of the person who was driving the military vehicle.

Environmental Liability

- AFB Makhado Rm254,280 - The environmental liability provision is based on the CPI headline index for February 2025.
- AFB Bloemspuit R53,456 - The estimate is based on the CPI headline index for February 2025.
- AFB Hoedspruit Rm1,503 - The estimate is based on the CPI headline index for February 2025.

29. Non-adjusting events after reporting date

As per the Presidential Proclamation, with effect from 01 April 2025, Denel SOC Ltd will be reporting to the Minister of Defence and Military Veterans. No financial impact is foreseen for the current financial year.

30. Movable Tangible Capital Assets

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
HERITAGE ASSETS	274	-	-	-	274
Heritage assets	274	-	-	-	274
MACHINERY AND EQUIPMENT	15 922 945	-	865 285	27 773	16 760 457
Transport assets	5 990 365	-	343 508	6 483	6 327 390
Computer equipment	1 489 631	-	189 030	5 018	1 673 643
Furniture and office equipment	305 288	-	15 409	640	320 057
Other machinery and equipment	8 137 661	-	317 338	15 632	8 439 367
SPECIALISED MILITARY ASSETS	51 159 119	-	996 615	3	52 155 731
Specialised military assets	51 159 119	-	996 615	3	52 155 731
BIOLOGICAL ASSETS	4 642	-	2	381	4 263
Biological assets	4 642	-	2	381	4 263
FINANCE LEASES ASSETS	27 395	-	907	1 647	26 655
Finance lease assets	27 395	-	907	1 647	26 655
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	67 114 375	-	1 862 809	29 804	68 947 380

Leased Assets are included due to a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable capital assets per the asset register are assets that are under Investigation:		
Heritage assets	-	-
Machinery and equipment	678	66 696
Specialised military assets	17	468
Biological assets	-	-

The decrease in the value is as a result of 11 cases being written off in the current financial year.

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

30.1 Movement for 2023/24

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
HERITAGE ASSETS	274	-	-	-	274
Heritage assets	274	-	-	-	274
MACHINERY AND EQUIPMENT	15 607 417	-	375 813	60 285	15 922 945
Transport assets	5 844 917	-	146 968	1 520	5 990 365
Computer equipment	1 453 743	-	59 588	23 700	1 489 631
Furniture and office equipment	295 254	-	11 284	1 250	305 288
Other machinery and equipment	8 013 503	-	157 973	33 815	8 137 661
SPECIALISED MILITARY ASSETS	51 150 115	-	177 089	168 085	51 159 119
Specialised military assets	51 150 115	-	177 089	168 085	51 159 119
BIOLOGICAL ASSETS	4 163	-	559	80	4 642
Biological assets	4 163	-	559	80	4 642
FINANCE LEASES ASSETS	18 695	-	10 748	2 048	27 395
Finance lease assets	18 695	-	10 748	2 048	27 395
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	66 780 664	-	564 209	230 498	67 114 375

2023/24
R'000

30.1.1 Prior period error

Nature of prior period error

Relating to 2022/23 (Affecting the opening balance)

-

-

Relating to 2023/24 (Affecting the opening balance)

-

-

Total

-

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30.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER 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	-	-	-	456 400	-	2 011	458 411
Value adjustments	-	-	-	-	-	-	-
Additions	-	-	-	13 660	-	267	13 927
Disposals	-	-	-	7 619	-	623	8 242
TOTAL MINOR CAPITAL ASSETS	-	-	-	462 441	-	1 655	464 096

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	1 363 483	-	-	1 363 483
Number of minor assets at cost	-	-	-	243 567	-	975	244 542
TOTAL NUMBER MINOR ASSETS	-	-	-	1 607 050	-	975	1 608 025

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Specialised military assets	14	24
Intangible assets	-	-
Heritage assets	-	-
Machinery and equipment	654	1 460
Biological assets	-	-

The increase in the value is as result of more cases being reported in the current year.

Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER 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	-	-	-	450 057	-	1 967	452 024
Prior period error	-	-	-	-	-	-	-
Additions	-	-	-	10 570	-	503	11 073
Disposals	-	-	-	4 227	-	459	4 686
TOTAL MINOR CAPITAL ASSETS	-	-	-	456 400	-	2 011	458 411

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	1 543 281	-	-	1 543 281
Number of minor assets at cost	-	-	-	203 402	-	704	204 106
TOTAL NUMBER MINOR ASSETS	-	-	-	1 746 683	-	704	1 747 387

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for the year ended 31 March 2025

	2023/24 R'000
30.2.1 Prior period error	
Nature of prior period error	
Relating to 2022/23 (Affecting the opening balance)	-
	-
Relating to 2023/24 (Affecting the opening balance)	-
	-
Total	-

30.3 Movable tangible capital assets written off MOVABLE TANGIBLE CAPITAL ASSETS WRITTEN OFF 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
Assets written off	95	-	-	3 583	-	-	3 678
TOTAL MOVABLE CAPITAL ASSETS WRITTEN OFF	95	-	-	3 583	-	-	3 678

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Assets written off	-	-	-	3 798	106	-	3 904
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	3 798	106	-	3 904

The value of cases finalised in terms of write offs (TR12) for the year ended 31 March 2025 decreased as compared to 31 March 2024.

30.4 Movable tangible capital assets: Capital Work-in-progress (WIP) CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	Note	Opening Balance 01 April 2024 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2025 R'000
Heritage assets	Annex 7	-	-	-	-
Machinery and equipment		-	-	-	-
Specialised military assets		13 695 256	592 590	962 477	13 325 369
Biological assets		-	-	-	-
TOTAL		13 695 256	592 590	962 477	13 325 369

	2024/25 R'000	2023/24 R'000
Payables not recognised relating to Capital WIP		
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]	-	13 849
Total	-	13 849

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2024
	Annex 7	R'000	R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-	-
Machinery and equipment		-	-	-	-	-
Specialised military assets		13 440 442	(196 115)	514 054	63 125	13 695 256
Biological assets		-	-	-	-	-
TOTAL		13 440 442	(196 115)	514 054	63 125	13 695 256

31. 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	2 522 046	5 851	-	2 527 897
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	5 043 415	156 311	-	5 199 726
SERVICES AND OPERATING RIGHTS	-	-	-	-
FINANCE LEASE ASSETS	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	7 565 461	162 162	-	7 727 623

Intangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		
Software	-	-
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

31.1 Movement for 2023/24

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	2 497 812	-	24 234	-	2 522 046
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	4 822 355	185 105	35 955	-	5 043 415
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
FINANCE LEASE ASSETS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	7 320 167	185 105	60 189	-	7 565 461

2023/24
R'000

31.1.1 Prior period error

Nature of prior period error

Relating to 2022/23 (affecting the opening balance)

Additions

185 105

185 105

Relating to 2023/24

Additions

32 175

32 175

Total

217 280

31.2 Intangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	Note	Opening Balance 01 April 2024 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) /Contracts terminated R'000	Closing Balance 31 March 2025 R'000
Intangible assets	Annex 7	-	-	-	-
TOTAL		-	-	-	-

2024/25
R'000

2023/24
R'000

Payables not recognised relating to Capital WIP

[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]

-

-

-

-

Total

-

-

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Notes to the Annual Financial Statements

for the year ended 31 March 2025

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) /Contracts terminated	Closing Balance 31 March 2024
	Annex 7	R'000	R'000	R'000	R'000	R'000
Intangible assets		-	-	-	-	-
TOTAL		-	-	-	-	-

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE 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
BUILDINGS AND OTHER FIXED STRUCTURES	16 553 125	50	2	16 553 173
Dwellings	1 488 023	-	-	1 488 023
Non-residential buildings	14 568 054	50	-	14 568 104
Other fixed structures	497 048	-	2	497 046
HERITAGE ASSETS	2 875 078	-	-	2 875 078
Heritage assets	2 875 078	-	-	2 875 078
LAND AND SUBSOIL ASSETS	12 870 888	-	-	12 870 888
Land	12 870 888	-	-	12 870 888
Mineral and similar non-regenerative resources	-	-	-	-
FINANCE LEASE ASSETS	-	-	-	-
Finance lease assets	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	32 299 091	50	2	32 299 139

Disposals - The disposal of a Wendy house.

Additions - Completed capital additions to reflect the total cost incurred in developing the immovable asset Lord's Grand a military base in Durban.

Immovable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		
Building and other fixed structures	-	-
Heritage assets	-	-
Land and subsoil assets	-	-

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for the year ended 31 March 2025

32.1 Movement for 2023/24

MOVEMENT IN IMMOVABLE 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
BUILDINGS AND OTHER FIXED STRUCTURES	16 491 053	-	62 072	-	16 553 125
Dwellings	1 487 258	-	765	-	1 488 023
Non-residential buildings	14 563 474	-	4 580	-	14 568 054
Other fixed structures	440 321	-	56 727	-	497 048
HERITAGE ASSETS	2 880 806	-	-	5 728	2 875 078
Heritage assets	2 880 806	-	-	5 728	2 875 078
LAND AND SUBSOIL ASSETS	12 870 888	-	-	-	12 870 888
Land	12 870 888	-	-	-	12 870 888
Mineral and similar non-regenerative resources	-	-	-	-	-
FINANCE LEASE ASSETS	-	-	-	-	-
Finance lease assets	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	32 242 747	-	62 072	5 728	32 299 091

Note

2023/24
R'000

32.1.1 Prior period error

Nature of prior period error

Relating to 2022/23 (affecting the opening balance)

-

-

Relating to 2023/24

-

-

Total

-

32.2 Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2025

	Note	Opening Balance 01 April 2024 R'000	Current Year WIP R'000	Ready for use (Assets to the AR)/Contracts terminated R'000	Closing Balance 31 March 2025 R'000
Heritage assets	Annex 7	-	-	-	-
Buildings and other fixed structures		988 739	5 199	-	993 938
Land and subsoil assets		-	-	-	-
TOTAL		988 739	5 199	-	993 938

2024/25
R'000

2023/24
R'000

Payables not recognised relating to Capital WIP

[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]

-

8

Total

-

8

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR)/Contracts terminated	Closing Balance 31 March 2024
	Annex 7	R'000	R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-	-
Buildings and other fixed structures		901 768	-	101 374	14 403	988 739
Land and subsoil assets		-	-	-	-	-
TOTAL		901 768	-	101 374	14 403	988 739

32.3 Immovable tangible capital assets written off

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

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Finance lease R'000	Total R'000
Immovable assets written off	2	-	-	-	2
TOTAL IMMOVABLE CAPITAL ASSETS WRITTEN OFF	2	-	-	-	2

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

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Finance lease R'000	Total R'000
Immovable assets written off	-	5 728	-	-	5 728
TOTAL IMMOVABLE CAPITAL ASSETS WRITTEN OFF	-	5 728	-	-	5 728

32.4 Immovable capital assets (additional information)

	Note	2024/25	2023/24
Properties deemed vested	Annex 9	Number	Number
Land parcels		12	12
Facilities			
Training Area		5	5
High Site		1	1
Office Accommodation		1	1
Operation Facility		1	1
Military Base		3	3
Historical Military Base		1	1
Other		-	-

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

33. Changes in accounting estimates and Changes in accounting policies

33.1 Changes in accounting policies

Nature of change in accounting policy	Note	Opening balance before the change 01 April 2023 R'000	Adjustment to opening balance R'000	Restated opening balance after change 01 April 2023 R'000	Adjusted for 2023/24 R'000	Restated closing balance 31 March 2024 R'000
Finance lease assets						
Movable Tangible Capital Assets	30	-	18 695	18 695	8 700	27 395
Intangible Capital Assets	31	-	-	-	-	-
Immovable Tangible Capital Assets	32	-	-	-	-	-
Minor Assets	30.2	-	1 967	1 967	44	2 011

The restated opening balance included Lease assets due to a change in accounting policy made in terms of the MCS requirements where assets under finance leases are recorded by the Department at the commencement of the lease term rather than at the end of the lease term.

34. Prior period errors

		2023/24		
	Note	Amount before error correction R'000	Prior period error R'000	Restated amount R'000
34.1 Correction of prior period errors				
Revenue:				
Sales of goods and services other than capital assets - Other sales	2.1	570 571	(384)	570 187
Sales of goods and services other than capital assets - Sales of scrap, waste and other used current goods	2.1	139	384	523
Net effect		<u>570 710</u>	<u>-</u>	<u>570 710</u>

The prior year for Other Sales as well as Sales of scrap, waste and other used current goods has been restated by R384 000 to correctly recognise the amount in terms of the correct SCOA classification.

Expenditure:

Audit cost - Regularity Audit	5.3	71 035	6 996	78 031
Computer Audits	5.3	11 935	(6 996)	4 939
Net effect		<u>82 970</u>	<u>-</u>	<u>82 970</u>

The prior year for Regularity audits has been increased with R6 995 818 and Computer audits decreased due to a classification error into the SCOA classification.

Assets:

Accrued departmental revenue	24	301 197	(62 137)	239 060
Intangible Capital Assets - additions	31.2	3 708	32 175	35 883
Net effect		<u>304 905</u>	<u>(29 962)</u>	<u>274 943</u>

Accrued departmental revenue -The prior year has been restated due to penalties deducted from personnel reimbursements.

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

34.1 Correction of prior period errors (Continued)

		2023/24		
	Note	Amount before error correction R'000	Prior period error R'000	Restated amount R'000
Liabilities:				
Provisions: Armscor Rate of Exchange differences	28	404 867	(964)	403 903
Change in provision due to change in estimation of inputs	28.1	253 053	(964)	252 089
Accruals: Transfers and Subsidies	21.1	15 557	(15 557)	-
Accruals: Administration	21.1	22 348	(15 557)	6 791
Payables not recognised: Transfers and Subsidies	21.2	-	15 557	15 557
Payables not recognised: Administration	21.2	10 667	15 557	26 224
Employee Benefits - Other	22	229 062	(15 557)	213 505
Net effect		<u>935 554</u>	<u>(17 485)</u>	<u>918 069</u>

ARMSCOR Rate of Exchange differences SDA. The prior year amount of the "Change in provision due to change in estimation of inputs" for ARMSCOR Rate of Exchange differences has been adjusted with Rm964 due to an error.

Accruals and payables not recognised and Employee benefits - Other. The prior year - Administration has been restated with Rm15,557 due to incorrect recording as an accrual instead of a payable.

Other:				
Irregular expenditure	25	338 488	48 469	386 957
Fruitless and Wasteful expenditure	25	50 905	15	50 920
Unauthorised expenditure	25	<u>3 373 664</u>	<u>92 440</u>	<u>3 466 104</u>
Net effect		<u>3 763 057</u>	<u>140 924</u>	<u>3 903 981</u>

Unauthorised expenditure

The prior year has been restated by Rm92,440 to include the correct amount for CoE expenditure.

Irregular expenditure Prior Year was adjusted with R48 468 831.32

- 1) To include R1 897 044.88 which was under assessment in the FY2023/2024, and
- 2) To include R46 571 786.44 which relate to FY2023/24, identified in FY2024/2025.

Fruitless and wasteful expenditure prior year was adjusted with R14 962.82

- 1) To include R2 607.26 which was under assessment in the FY2023/24, and
- 2) To include R13 965.56 which relates to FY2023/2024, identified in the FY2024/2025,
- 3) To exclude R1 610.00 which was incorrectly disclosed in the FY2023/2024.

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2025

35. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	2024/25							2023/24	
	GRANT ALLOCATION				TRANSFER				
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	% of Available funds transferred	DoRA Revenue Act and other transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Provincial and Local Governments	241	-	(62)	179	179	-	100%	-	151
	241	-	(62)	179	179	-	100%	-	151

36. NATURAL DISASTER OR RELIEF EXPENDITURE

Compensation of employees
 Goods and services
 Transfers and subsidies
 Expenditure for capital assets
 Other
 Total

Note
 Annex 10

2024/25 R'000	2023/24 R'000
-	(553)
-	2 439
-	6 000
-	-
-	-
-	7 886

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2023/24	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by municipality	DoRA and other transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial and Local Governments	241	-	(62)	179	179	-	-	-	-	-	100%	151	151
TOTAL	241	-	(62)	179	179	-	-	-	-	-	100%	151	151

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL / AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2023/24	
	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
Safety and Security Sector Education and Training Authority (SASSETA)	25 531	-	7 095	32 626	32 626	100%	30 578	30 578
Castle Control Board	6 000	-	-	6 000	6 000	100%	6 000	6 000
Communication Licences (Radio & TV)	463	-	(445)	18	18	100%	14	14
Departmental Agency: Fines & Penalties	-	-	-	-	-	-	46 955	46 955
TOTAL	31 994	-	6 650	38 644	38 644	100%	83 547	83 547

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 1C

STATEMENT OF TRANSFERS / SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION / PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2023/24	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfers										
Armaments Corporation of South Africa	1 399 984	-	-	1 399 984	1 399 984	100%	-	-	1 446 251	1 446 251
Claims against the State	-	-	180	180	180	100%	-	-	-	-
Sub total	1 399 984	-	180	1 400 164	1 400 164	100%	-	-	1 446 251	1 446 251
Private Enterprises										
Transfers										
Claims against the State	-	-	1 232	1 232	1 232	100%	-	-	103	103
Sub total	-	-	1 232	1 232	1 232	100%	-	-	103	103
TOTAL	1 399 984	-	1 412	1 401 396	1 401 396	100%	-	-	1 446 354	1 446 354

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2023/24	
	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
Transfers								
Southern African Development Community	-	-	755 004	755 004	755 004	100%	77 628	77 628
TOTAL	-	-	755 004	755 004	755 004	100%	77 628	77 628

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2023/24	
	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
Transfers								
St John's Ambulance Brigade	500	-	(387)	113	113	100%	74	74
Reserve Force Council	11 432	-	(7 182)	4 250	4 250	100%	4 635	4 635
TOTAL	11 932	-	(7 569)	4 363	4 363	100%	4 709	4 709

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2023/24	
	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
Transfers								
DOD members	244 402	-	449 452	693 854	693 854	100%	2 312 197	2 312 197
Claims against the State	-	-	7 448	7 448	7 448	100%	5 013	5 013
TOTAL	244 402	-	456 900	701 302	701 302	100%	2 317 210	2 317 210

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 2A

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

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% of shares held		Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed
		2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Yes/No
National / Provincial Public Entity Castle Control Board (under control of the Minister of Defence).	3A	100%	100%	-	-	-	-	11 135	10 378	757	1 922	No
Armaments Corporation of South Africa (Managed and controlled by a board of Directors appointed by the Minister of Defence (Profit /Loss) for the year is for the ARMSCOR Group.	2	100%	100%	-	-	75 000	75 000	3 080 926	2 801 123	121 638	150 871	No
TOTAL						75 000	75 000	3 092 061	2 811 501	122 395	152 793	

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY / TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Controlled entities									
Castle Control Board (under control of the Minister of Defence)	To preserve and protect the military and cultural heritage of the Castle, optimise the tourism potential of the Castle; and maximise the accessibility to the public of the whole or any part, as the case may be, of the Castle which is not used by the SANDF.	-	-	11 135	10 378	-	-	-	-
Armaments Corporation of South Africa (managed and controlled by a board of Directors appointed by the Minister of Defence)	To acquire defence products, mainly for SANDF, and co-manage, with the SANDF, the development of technologies for future weapon systems and products and also to manage the disposal of excess, forfeited, redundant or surplus defence material for the SANDF and the subsidiary companies which is directly support technology and acquisition strategies.	75 000	75 000	3 080 926	2 801 123	-	-	-	-
TOTAL		75 000	75 000	3 092 061	2 811 501	-	-	-	-

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - LOCAL

Guarantor Institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance as at 01 April 2024	Guarantees draw downs during the year	Guaranteed repayments / cancelled / reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2025	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2025
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
ABSA		-	60	-	-	-	60	-	-
First National Bank		-	236	-	87	-	149	-	-
Free State Dev Corp		-	22	-	-	-	22	-	-
Greenstart Home Loans		-	53	-	-	-	53	-	-
Standard Bank		-	205	-	111	-	94	-	-
TOTAL		-	576	-	198	-	378	-	-

Not possible to determine any outflow, as the outflow would depend on the non-payments made by Defence employees to Bond institutions.

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of Liability	Opening Balance 01 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Civil claims	1 584 871	520 874	198 992	-	1 906 753
MAA	14 950	2 863	6 323	-	11 490
Claims - SDA	4 696 849	-	495 507	-	4 201 342
Subtotal	6 296 670	523 737	700 822	-	6 119 585
Environmental Liability					
UXO contamination and rehabilitation	1 580 977	50 794	-	-	1 631 771
Subtotal	1 580 977	50 794	-	-	1 631 771
TOTAL	7 877 647	574 531	700 822	-	7 751 356

Claims against the department

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the third parties.
- These are contingent liabilities hence, we cannot be certain as to the timing of the outflow of the related resources / amounts.
- There was no possibility for any reimbursements as at 31 March 2025.

Special Defence Account

- The claim against the SDA relates to a commission claim of EUR 192 180 623 with a rand value of R3 819 442 091 (1 Euro = R19.874231) (2023/24: R3 946 611 276). The matter is defended in the Civil Court of Lisbon, Portugal.
 - 2018/19. The Plaintiff filed an application in the High Court in Pretoria to compel the Auditor-General of South Africa to make available certain documentation alleged to be relevant to the litigation in Portugal. ARMSCOR, as the second respondent is opposed to the application. The Applicant in this matter did not apply for a court date.
 - 2019/20. In respect of the main application which was to be heard in Lisbon, all the preliminary work was done.

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

- 2022/23. The expert report was submitted to the Lisbon Court. The matter was enrolled for trial for 13 - 17 March 2023. The preparation for the hearing started during January 2023.
- 2023/24. The matter was before Court on 13 - 23 September 2023. The matter was adjourned for preparation of the heads of argument which were submitted end of November 2023.
- 2024/25. Judgement granted in ARMSCOR'S favour by the Civil Court of Lisbon. The Plaintiff employed new legal representatives and filed an appeal challenging the Court's decision on the facts and thus seeking to amend the scope and/or extent of certain facts. ARMSCOR'S legal representatives have filed the response to the appeal in the Civil Court of Lisbon.
- The claim against the SDA relates to a contractual cancellation to the amount of R381 900 000 (2023/24: R381 900 000). ARMSCOR is defending the matter. ARMSCOR has filed a Notice of Exception. The Plaintiff has appointed new attorneys of record on several occasions and has amended the particulars of claim. ARMSCOR has filed an exception to the amended particulars and has not received a response to its Exception.
- The claim against the SDA which related to a bid in respect of a tender for the Procurement of General Hospital Equipment for SAMHS to the amount of R7 415 624 (2023/24: R7 415 624). The claim will now be removed as there has been no movement during the last two quarters and ARMSCOR is of the opinion that the Plaintiff has abandoned the claim.

Environmental Liability

UXO contamination and rehabilitation

- As at 31 March 2025, the Department had a contingent liability in respect of the potential environmental rehabilitation of the unexploded ordnance at SANDF facilities. In terms of the requirements of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA), specifically Section 28(1). This section imposes a duty of care to take reasonable measures to prevent, minimise, and remediate environmental degradation associated with operational activities.
- To assess the extent of this obligation, the SANDF undertook a project to estimate the cost of rehabilitating the land, which was accepted to be the baseline cost as determined from February 2012. The estimate changes annually based on the escalation of the baseline costs using the CPIX, therefore an increase.
- Given that these testing facilities are strategic Defence testing facilities with no current intention to cease operations, the Department has elected to comply with NEMA by managing environmental impacts through ongoing post-training surface sweeps and digging up minor spillages. The field exercises are planned in such a way so as to allow for natural revegetation and soil stabilisation. Thus, the contingent liability for the rehabilitation under this option has been estimated at R857 808 309.

Fuel contamination. The Department is currently in process of identifying and assessing all military facilities with a fuel capability, due to determine whether there are any possible contamination of soil resulting in underground water issues, that could result in a possible contingent liability.

Mobile assets accidents (MAA). The MAA register was changed during the Audit of the financial statements due to subsequent events identified after the submission date of 31 March 2025.

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

Civil Claims:

S/N	Type of Claim	Amounts
008	Shooting during Exercise and Operation	49 850 000.00
130	Unlawful assault, arrest, detention and prosecution	436 103 789.80
008	Breach, cancellation and termination of contracts and services	149 027 790.44
009	Loss of support due to collision of vehicles and helicopters	17 337 081.90
059	HR and labour related claims	644 332 809.26
029	Damages, explosions and fire	245 522 587.24
006	Personal injuries	18 344 431.14
031	Medical negligence	145 523 501.60
050	Underpaid and unpaid invoices for services rendered	200 710 820.71
229	MAA	11 490 296.94
559	Total Claims Against the State	<u>1 918 243 109.03</u>

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 4 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2024/2025*	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Department of Correctional Services	-	-	33	34	33	34	-	-
Department of Health Gauteng	-	264	480	167	480	431	-	-
Department of Military Veterans	179 998	134 052	213 545	62 218	393 543	196 270	-	-
Department of Public Works and Infrastructure	-	-	204 315	106 970	204 315	106 970	-	-
Department of Rural Development	-	-	-	15 134	-	15 134	-	-
National Treasury	-	-	7 584	7 581	7 584	7 581	-	-
San Parks	-	-	20	20	20	20	-	-
South African Police Services	-	16	23	11	23	27	-	-
City of Cape town	-	-	209	-	209	-	-	-
Department of Higher Education and Training	-	-	33	-	33	-	-	-
Gauteng Province : Community and Safety	-	-	89 573	-	89 573	-	-	-
TOTAL	179 998	134 332	515 815	192 135	695 813	326 467	-	-

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Health Western Cape	-	-	-	71	-	71
Department of Justice and Constitutional Development	3 725	2 211	4 113	-	7 838	2 211
Department of Social Development Gauteng	17	-	-	17	17	17
Department of Health Mpumalanga	20	-	-	-	20	-
Department of Public Works and Infrastructure	114 272	-	3 348 395	-	3 462 667	-
TOTAL	118 034	2 211	3 352 508	88	3 470 542	2 299

[illegible]

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 6 INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2025	Food	Fuel	Medical supplies	Other	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	(1 445 848)	(1 255 176)	(1 260 757)	20 707 194	16 745 413
Add/ (Less): Adjustments to prior year balances	4 584 945	273 014 559	4 903 788	23 688 620	306 191 912
Add: Additions/Purchases - Cash	1 585 967	349 016	244 812	329 260	2 509 055
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	(3 228 372)	(270 756 940)	(2 505 479)	(6 615 744)	(283 106 535)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/ (Less): Adjustments	-	-	-	-	-
Closing balance	1 496 692	1 351 459	1 382 364	38 109 330	42 339 845

INVENTORY FOR THE YEAR ENDED 31 MARCH 2024	Food	Fuel	Medical supplies	Other	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	1 105 959	804 529	1 503 846	31 352 133	34 766 467
Add/ (Less): Adjustments to prior year balances	(1 102 074)	1 479 535	(762 974)	(5 451 866)	(5 837 379)
Add: Additions/Purchases - Cash	1 385 538	365 406	286 557	250 022	2 287 523
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	(2 835 271)	(3 904 646)	(2 288 186)	(5 443 095)	(14 471 198)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/ (Less): Adjustments	-	-	-	-	-
Closing balance	(1 445 848)	(1 255 176)	(1 260 757)	20 707 194	16 745 413

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 7

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS	13 695 256	592 590	962 477	13 325 369
Specialised military assets	13 695 256	592 590	962 477	13 325 369
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	988 739	5 199	-	993 938
Dwellings	47 859	-	-	47 859
Non-residential buildings	940 880	5 199	-	946 079
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
COMPUTER SOFTWARE	-	-	-	-
Computer software	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
Mastheads and publishing titles	-	-	-	-

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 7 (Continued)

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
TRADEMARKS	-	-	-	-
Patents, Licences, Copyright, Brand names, Trademarks	-	-	-	-
MODELS	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
Services and operating rights	-	-	-	-
TOTAL	14 683 995	597 789	962 477	14 319 307

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 7 (Continued)

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-
SPECIALISED MILITARY ASSETS	13 440 442	(196 115)	514 054	63 125	13 695 256
Specialised military assets	13 440 442	(196 115)	514 054	63 125	13 695 256
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	901 768	-	101 374	14 403	988 739
Dwellings	47 859	-	-	-	47 859
Non-residential buildings	853 909	-	101 374	14 403	940 880
Other fixed structures	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
COMPUTER SOFTWARE	-	-	-	-	-
Computer software	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 7 (Continued)

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
TRADEMARKS	-	-	-	-	-
Patents, Licences, Copyright, Brand names, Trademarks	-	-	-	-	-
MODELS	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
Services and operating rights	-	-	-	-	-
TOTAL	14 342 210	(196 115)	615 428	77 528	14 683 995

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Advance paid to DIRCO	-	-	172 364	339 974	172 364	339 974
Subtotal	-	-	172 364	339 974	172 364	339 974
PUBLIC ENTITIES						
ARMSCOR	30 019	-	-	-	30 019	-
Subtotal	30 019	-	-	-	30 019	-
OTHER INSTITUTIONS						
AB Logistics	-	-	245 179	42 722	245 179	42 722
Subtotal	-	-	245 179	42 722	245 179	42 722
TOTAL	30 019	-	417 543	382 696	447 562	382 696

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 8B

INTER-ENTITY ADVANCES RECEIVED (note 15 and note 16)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Current						
Gauteng Department Community Safety	-	81 927	-	-	-	81 927
TOTAL	-	81 927	-	-	-	81 927

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 9

Immoveable assets additional information

Properties deemed vested

Land parcels

Facilities

Training Area

High Site

Office Accommodation

Operation Facility

Military Base

Historical Military Base

Note
32.4

2024/25
Number

2023/24
Number

12

12

5

5

1

1

1

1

1

1

3

3

1

1

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 10
NATURAL DISASTER OR RELIEF EXPENDITURE
Per quarter and in total

Expenditure per economic classification	APRIL 2024	MAY 2024	JUN 2024	Subtotal Q1	JUL 2024	AUG 2024	SEPT 2024	Subtotal Q2	OCT 2024	NOV 2024	DEC 2024	Subtotal Q3	JAN 2025	FEB 2025	MAR 2025	Subtotal Q4	2024/25 TOTAL	2023/24 TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(553)
Goods services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 439
<i>Please list all the applicable SCOA level 4 items:</i>																		
Communication (G&S)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203
Consumable supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33
Property payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24
Operating payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 839
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 000
<i>Please list all the applicable SCOA level 4 items:</i>																		
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 000
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 886

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2025

ANNEXURE 11

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 3 and 10)

Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Contract reference number	Total contract value	Contract commencement date	Contract end date	Frequency of the prepayment or advance	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	Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
					R'000				R'000	R'000	R'000	R'000	R'000	
Prepayments														
GCIS	National Government	Communication Services	Goods and services	15-2-150-04	3 798	22/05/2024	31/03/2025	As per service received	3 798	-	(1 667)	-	2 131	Advanced payment was made to GCIS for promoting the mandate of the office of Military Ombud in the media.
GCIS	National Government	Communication Services	Goods and services	15-2-08-14	272	27/11/2024	31/03/2025	As per service received	-	272	(158)	-	114	Advanced payment was made to GCIS for promoting the mandate of the office of Military Ombud in the media.
GCIS	National Government	Communication Services	Goods and services	15-2-08-18	272	13/03/2025	31/03/2025	As per service received	-	347	(136)	-	211	Advanced payment was made to GCIS for promoting the mandate of the office of Military Ombud in the media.
SAAB AB Dynamics	Aerospace and Defence	Procurement of Defence related products	Goods and services	KP467345	18 860	09/02/2023	12/01/2025	30% once-off advance	-	5 658	(5 658)	-	-	Advance of 30% once-off for order items as per order.
Electro-EW House (Pty) Ltd	Research and Development	Procurement of telecommunications systems	Goods and services	KT545278	18 261	25/07/2022	28/02/2025	30% annual advance per financial year	-	2 623	(2 122)	-	501	Advance of 30% per financial year order items as per order.
SAAB AB Dynamics	Aerospace and Defence	Development for Defence related products	Goods and services	KP467330	9 978	09/02/2023	30/06/2025	30% once-off advance	-	2 994	(2 994)	-	-	Advance of 30% once-off for order items as per order.
Ettienne Lacroix Tous Artifices S.A.	Pyrotechnics	Development for Defence related products	Goods and services	KP467399	17 178	12/11/2024	30/10/2026	30% once-off advance	-	5 153	-	-	5 153	Advance of 30% once-off for order items as per order.
China North Industries Corporation (Norinco)	Defence	Development for Defence related products	Goods and services	KP467409	38 246	27/11/2024	30/05/2025	30% once-off advance	-	11 474	-	-	11 474	Advance of 30% once-off for order items as per order.
China North Industries Corporation (Norinco)	Defence	Development for Defence related products	Goods and services	KP467411	42 351	16/12/2024	11/06/2025	30% once-off advance	-	11 719	-	-	11 719	Advance of 30% once-off for order items as per order.
Autumn Star Trading 758 (Pty) Ltd	Design and Manufacturing	Development for Defence related products	Capital assets	KT545342	84 979	21/10/2024	31/12/2025	As per service received	3 798	25 494	-	-	25 494	Advance of 30% once-off for order items as per order.
TOTAL PREPAYMENTS									3 798	65 734	(12 735)	-	56 797	

Defence - Vote 23

Annexures to the Annual Financial Statements

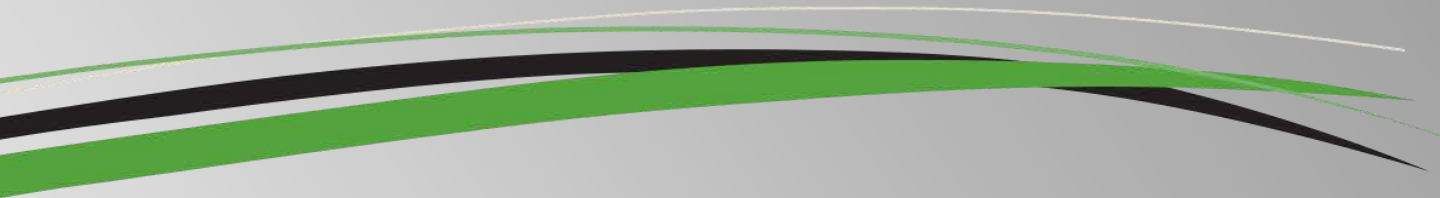
for the year ended 31 March 2025

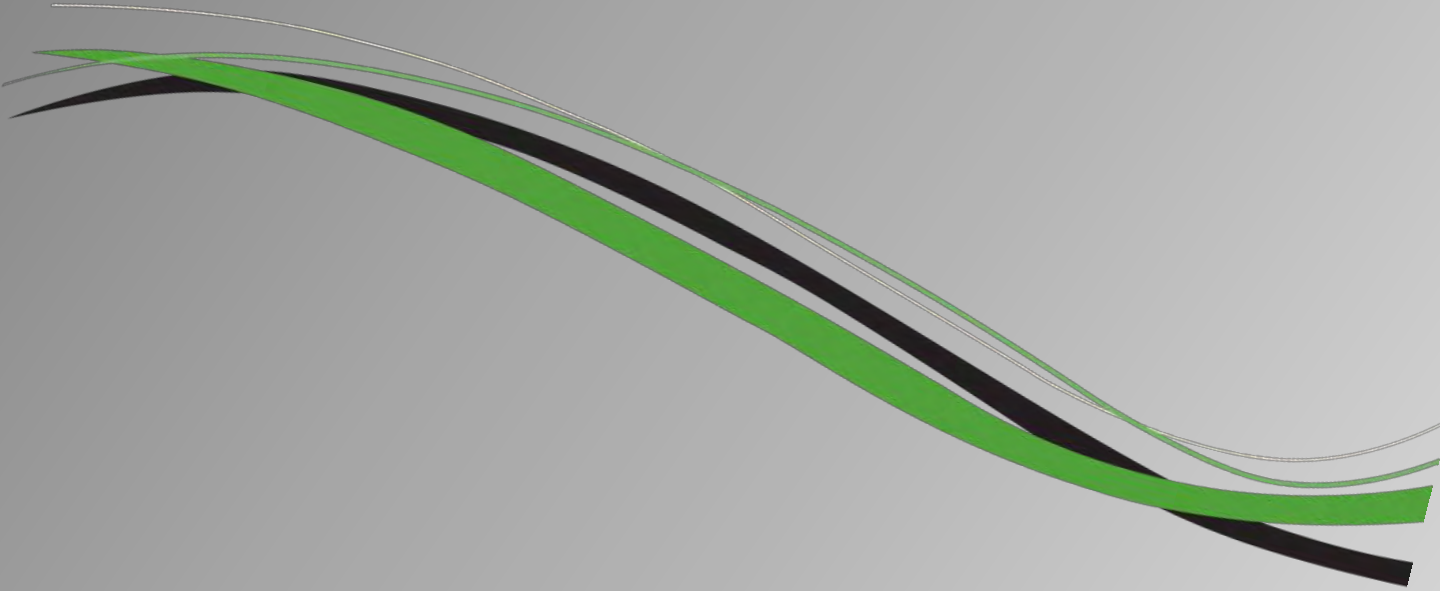
ANNEXURE 11 (Continued)
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 3 and 10)

Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Contract reference number	Total contract value	Contract commencement date	Contract end date	Frequency of the prepayment or advance	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	Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
					R'000				R'000				R'000	
Advances														
Armaments Corporation of South Africa	Defence	Specialised military assets	Public entities	KT547202	99 491	24/02/2022	28/02/2025	30% annual advance per financial year	-	10 198	(8 910)	-	1 288	Advance of 30% per financial year order items as per order.
Armaments Corporation of South Africa	Defence	Specialised military assets	Public entities	KT547203	55 664	19/04/2019	28/02/2025	30% annual advance per financial year	-	5 026	(2 619)	-	2 407	Advance of 30% per financial year order items as per order.
Armaments Corporation of South Africa	Defence	Specialised military assets	Public entities	KT548702	220 945	01/09/2023	30/06/2025	30% annual advance per financial year	-	46 398	(20 073)	-	26 325	Advance of 30% per financial year order items as per order.
National Departments - DIRCO	Defence		National departments					30% annual advance per financial year	339 974	(482 138)	(482 138)	314 528	172 364	The advance payments to DIRCO are for the Mission accounts.
Other Institutions – AB Logistics	Defence		Public entities					Once-off 30% of contract value	42 722	-	(92 721)	295 178	245 179	The advance payment is made to a Travel agent (AB Logistics) for Services rendered.
TOTAL ADVANCES									382 696	61 622	(606 461)	609 706	447 563	
TOTAL PREPAYMENTS AND ADVANCES									386 494	127 356	(619 196)	609 706	504 360	

South African National Defence Force Fund

**Financial Statements
for the year ended
31 March 2025**





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Report of the auditor-general to Parliament on the South African National Defence Force Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African National Defence Force Fund set out on pages 343 to 354, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the statement of cash flows and statement of comparison of budget with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Defence Force Fund as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Fund raising Act of South Africa 107 of 1978 (Fund-raising Act).

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 fund in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the board for the financial statements

6. The board is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the Fund-Raising Act and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the board is responsible for assessing the fund'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 fund or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the annual performance report

10. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act 1 of 1999 (PFMA) and such reporting is not required in terms of the entity specific legislation.

Report on compliance with legislation

11. 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 compliance with applicable legislation relating to financial matters, financial management and other related matters. The board is responsible for the fund's compliance with legislation.
12. 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.
13. 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 fund, 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.
14. I did not identify any material non-compliance with the selected legislative requirements.

Other information

15. The board is responsible for the other information, which includes the boards' report. The other information referred to does not include the financial statements and the auditor's report.

16. My opinion on the financial statements and the report on compliance with legislation, do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
17. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
18. I have nothing to report in this regard.

Internal control deficiencies

19. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
20. I did not identify any significant deficiencies in internal control.

Auditor-General.

Pretoria

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the fund'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 fund'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 fund 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 the fund 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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for purpose of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the board 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 board with a statement that I have complied with relevant ethical requirements regarding independence and to 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.

South African National Defence Force Fund

General Information

Country of incorporation and domicile:	South Africa
Nature of business and principal activities:	The aim of the Fund is to render emergency aid to members and former members of the South African National Defence Force and Auxiliary Services, and certain other categories of military personnel and their dependents who suffer hardship or financial distress arising, directly or indirectly, as a result from any service or duties in terms of the Constitution of the Republic of South Africa, 1996 and the Defence Act, 2002 (Act No. 42 of 2002) and also to provide facilities to such members and former members.
Registered office:	ARMSCOR Building Erasmusrand Pretoria 0001
Business address:	ARMSCOR Building Erasmusrand Pretoria 0001
Controlling entity:	Department of Defence
Bankers:	First National Bank
Auditors:	Auditor-General South Africa
Independent Practitioner – Saipa	S.S. Hansen Professional Accountant (SA)
Governing Legislation:	Fund-raising Act 107 of 1978

South African National Defence Force Fund

Board Members' Responsibilities and Approval

The members are required by the Fund-raising Act 107 of 1978, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related information included in this report. It is the responsibility of the members to ensure that the financial statements fairly presents the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board members sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on its available financial resources for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the board members are primarily responsible for the financial affairs of the entity, they are supported by the external auditors, whose responsibility is to independently review and report on the entity's financial statements. The financial statements have been examined by the entity's external auditors.

The financial statements set out on pages 343 to 354, which have been prepared on the going concern basis, were approved by the board of members and were signed on its behalf by:



Lt Gen M. Sitshongaye (Full time member and Chairperson)

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

The members submit their report for the year ended 31 March 2025.

1. Established

The entity was established in terms of the Fund Raising Act, 1978 (Act no. 107 of 1987) as amended.

2. Review of activities

Main business and operations

The aim of the Fund is to render emergency aid to members and former members of the South African National Defence Force and Auxiliary Services, and certain other categories of military personnel and their dependents who suffer hardship or financial distress arising, directly or indirectly, as a result from any service or duties in terms of the Constitution of the Republic of South Africa, 1996 and the Defence Act, 2002 (Act No. 42 of 2002) and also to provide facilities to such members and former members.

The fund is not obliged by legislation to appoint an audit committee, and the board thus agreed to carry on without appointing such a committee until such time the board might find it necessary and viable to appoint an audit committee.

3. Going concern

We draw attention to the fact that on 31 March 2025, the entity had an accumulated surplus of R19 915 794 and that the entity's total assets exceed its liabilities by R19 915 794.

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

4. Subsequent events

The members are not aware of any matter or circumstance arising since the end of the financial year.

5. Members' interest in contracts

Board members do not have any interest in the SANDF Fund.

6. Board of Members

The members of the entity during the year and to the date of this report are as follows:

Name	Nationality
Lt Gen M. Sitshongaye (Full time member and Chairperson)	RSA
Brig Gen G.S. Soldaat (Full time member)	RSA
Ms M.H.P Deane (Full time member)	RSA
R Adm G. Mbulaheni (Full time member)	RSA
Brig Gen S.Z. Mama (Full time member)	RSA
Brig Gen P.S. Welgemoed (Full time member)	RSA
MCWO N.E. Mtshatsheni (Full time member)	RSA
Brig Gen E.J. Mabasa (Part time member)	RSA
Brig Gen M.P. Seloane (Part time member)	RSA
Lt Col H. Janzen (Part time member)	RSA

South African National Defence Force Fund

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for the year ended 31 March 2025

7. Board Secretary

The Board Secretary was Lt Col (Ret) R. Nel, who resigned during the financial year and attended the last Board meeting on 24 August 2024. There was no Board Secretary at year-end.

8. Corporate governance

General

The board is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the board supports the highest standards of corporate governance and the ongoing development of best practice.

Board of directors

The Board:

- retains full control over the entity, its plans and strategy; and
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity.

Executive meetings

The board members have met on two separate occasions during the financial year. There are four board meetings scheduled per financial year.

Non-executive directors have access to all members of management of the entity.

Internal audit

The entity does not make use of internal auditors.

9. Controlling entity

The SANDF Fund's controlling entity is Department of Defence Incorporated in RSA .

10. Bankers

First National Bank.

11. Auditors

Auditor-General South Africa will continue in office for the next financial period.



Lt Gen M. Sitshongaye (Full time member and Chairperson)

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Notes	2025	2024
ASSETS			
<i>Non-current assets</i>			
Intangible assets	1	2 999	2 999
Other financial assets	2	19 657 056	19 262 290
		<u>19 660 055</u>	<u>19 265 289</u>
<i>Current assets</i>			
Receivables from exchange transactions	3	27 689	-0
Other receivables	4	1 540	1 540
Cash and cash equivalents	5	226 510	107 945
		<u>255 739</u>	<u>109 485</u>
Total Assets		<u>19 915 794</u>	<u>19 374 774</u>
NET ASSETS			
Accumulated surplus	15	19 915 794	19 374 774
		<u>19 915 794</u>	<u>19 374 774</u>

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand	Notes	2025	2024
Revenue			
Revenue from exchange transactions			
Interest received - investment	6	914 930	919 793
Expenditure			
General Expenses	7	394 549	533 368
Surplus for the year		520 381	386 425

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Statement of Changes in Net Assets

Figures in Rand	Notes	Accumulated surplus / (deficit)	Total net assets
Balance at 31 March 2023		18 988 349	18 988 349
Changes in net assets			
Surplus for the year		386 425	386 425
Total changes		386 425	386 425
Balance at 31 March 2024		19 374 774	19 374 774
Changes in net assets			
Prior year adjustments to accumulated surplus	15	20 639	20 639
Surplus for the year		520 381	520 381
Total changes		520 381	520 381
Balance at 31 March 2025		19 915 794	19 915 794

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Statement of Cash Flow

Figures in Rand	Notes	2025	2024
Cash flow from operating activities			
Receipts			
Interest income	6	914 930	919 793
- Interest capitalised - cash		887 241	919 793
- Interest accrued – non cash		27 689	-
Payments			
Suppliers	7	394 549	533 368
Net cash flow from operating activities		520 381	386 425
Cash flow from investing activities			
Purchase of financial assets	2	(394 766)	(275 051)
Purchase of accrued interest income	3	-	(25 497)
Net cash flow from investing activities		(394 766)	(300 548)
Net increase/(decrease) in cash and cash equivalents	5	118 565	85 877
Cash and cash equivalents - beginning of the year		107 945	22 068
Cash and cash equivalents - end of the year		226 510	107 945

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Figures in Rand	Note	Approved Budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Interest received – investments	13	-	-	914 930	914 930
Expenditure					
General Expenses	13	(514 760)	(514 760)	(394 549)	(120 211)
Surplus before taxation	13	(514 760)	(514 760)	520 381	794 719
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement		(514 760)	(514 760)	520 381	794 719
Reconciliation					

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with the Fund-raising, Act 107 of 1978.

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Held to maturity investments

The SANDF Fund assesses its held to maturity investments for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

Internally generated goodwill is not recognised as an intangible asset.

South African National Defence Force Fund

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for the year ended 31 March 2025

1.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and Cash Equivalents	Financial asset measured at amortised cost
Other Financial Assets	Financial asset measured at amortised cost
Residual interest 1	Measured at fair value
Residual interest 2	Measured at cost

1.4 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method. Interest income from the investments will be recognised when:

- It is probable that the economic benefits associated with the investment will flow to the entity, and
- The amount of the interest income can be measured reliably.

1.5 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

1.6 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

1.7 Events after reporting date

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

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

1.8 Going concern

The SANDF Fund only allocates 90% of the investment income of the prior year for utilisation and 10% is capitalised to ensure the SANDF Fund remains a going concern.

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Notes to the Annual Financial Statements

1. Intangible assets

2025		
	Cost / Valuation	Accumulated amortisation
Goodwill	2 999	-
Total	2 999	-
2024		
	Cost / Valuation	Accumulated amortisation
Goodwill	2 999	-
Total	2 999	-

2025	2024
R	R

2. Other financial assets

Residual interest at cost		
Investec Investment	7 556 727	7 500 578
This investment is a money market investment and has no maturity date.		
Simple interest of 6.90% per annum (2024: 8.03%)		
RMB Investment	11 855 121	11 533 910
This investment is a money market investment and has no maturity date.		
Simple interest 2.75% per annum (2024: 2.75%)		
Investec Investment	245 208	277 802
This investment is a money market investment and has no maturity date.		
Simple interest of 6.90% per annum (2024: 8.03%)		
	19 657 056	19 262 290

Non-current assets		
Residual interest at cost	19 657 056	19 262 290

3. Receivable from exchange transactions

Investment revenue	27 689	-

4. Other Receivables

Aid to members	1 540	1 540

During the prior financial year, SANDF Fund made an advance payment to a transport company on behalf of one of the members, O. Kale. The transport was never made use of by the member. SANDF Fund has the right and intention to claim a refund from the transport company.

South African National Defence Force Fund

Financial Statements

for the year ended 31 March 2025

Notes to the Financial Statements

Figures in Rand		2025	2024
5.	Cash and cash equivalents		
	Bank balances	226 510	107 945
6.	Investment revenue		
	Interest revenue		
	Other financial asset	914 930	919 793
7.	General expenses		
	Accounting fees	28 520	26 393
	Auditors remuneration	44 728	32 866
	Bank charges	20 903	21 090
	Computer expenses	12 081	12 204
	Printing and stationery	-	244
	Secretarial fees	110 700	108 000
	Telephone	-	1 019
	Travel - local	27 947	2 100
	Aid to members	149 670	329 452
		394 549	533 368
8.	Related parties		
	Relationships		
	Members	Refer to Members' Report Note 6	
	Ultimate controlling entity	Parliament	
	Controlling entity	Department of Defence	
	Controlling entity (DOD) personnel or representatives serving on the Board who provides services to the SANDF Fund during DOD official working hours without compensation by the SANDF Fund (Non-cash).		
	Board members not remunerated by Government are entitled to a traveling allowance.		
9.	Members' emoluments		
	No emoluments were paid to the members or any individuals holding a prescribed office during the year.		

South African National Defence Force Fund

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for the year ended 31 March 2025

10. Risk management

Capital and risk management

The SANDF Fund's objective when managing capital are to safeguard the SANDF Fund's ability to continue as a going concern in order to provide returns for beneficiaries and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the SANDF Fund consists of investments and cash and cash equivalents disclosed in Note 3. There are no externally imposed capital requirements.

There have been no changes to what the SANDF Fund manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
RMB	11 855 121	11 533 910
Investec	7 556 727	7 500 578
Investec	245 208	227 802

11. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated Surplus of R 19 915 794 and that the entity's total assets exceed its liabilities by R 19 915 794.

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

12. Events after the reporting date

The members are not aware of any matter or circumstances, favourable or unfavourable, arising since the end of the financial year.

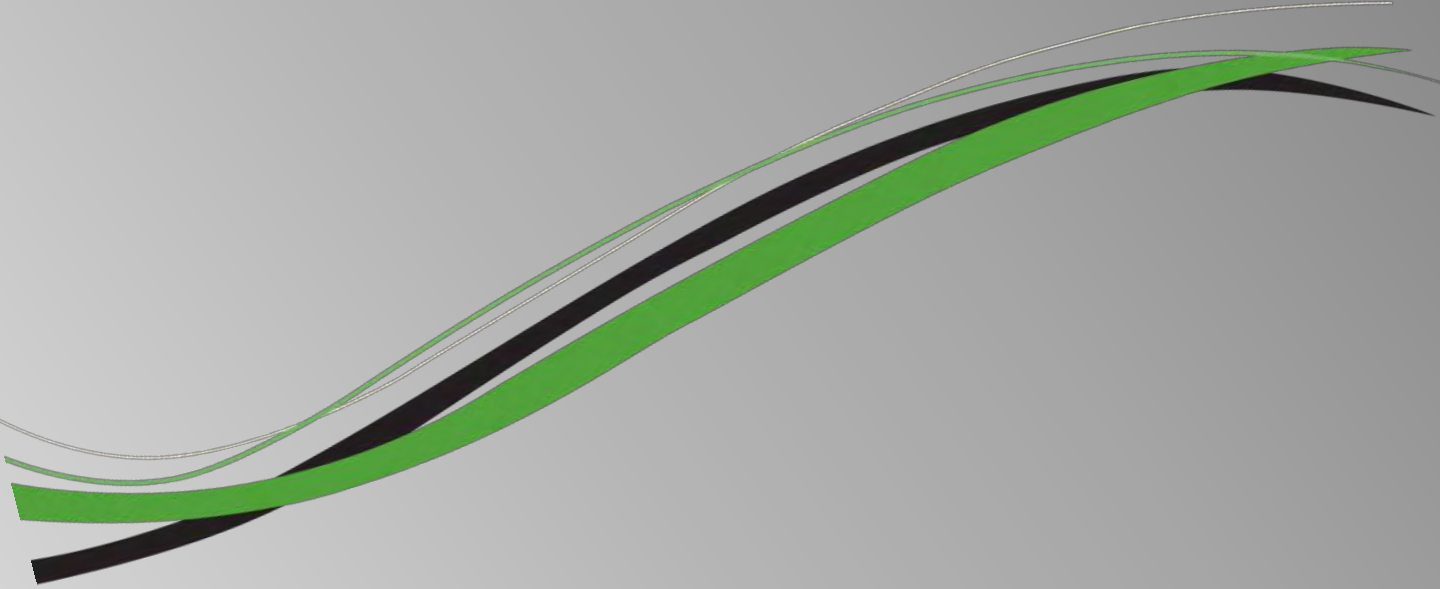
South African National Defence Force Fund

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for the year ended 31 March 2025

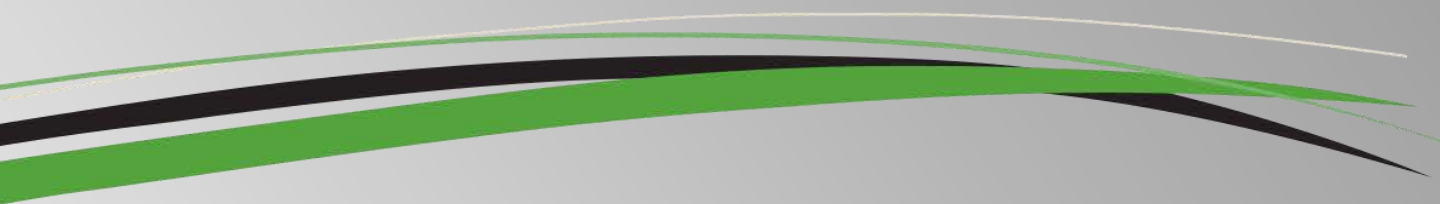
Figures in Rand	2025	2024
13. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/(deficit) in the statement of financial performance:		
Net surplus per the statement of financial performance	520 381	386 425
Adjusted for:		
Interest received	-	-
General expenses	120 211	9 909
Net surplus (deficit) per approved budget	640 592	396 334
The difference between the budgeted amount and the actual amount for interest received from investments is attributable to unforeseen changes in interest rates that could not be predicted by management when budgeted amounts were determined.		
14. Prior period adjustments – correction of error		
The net effect of prior year adjustments were as follows:		
- Investec Investment - 7 103	Understated	84 000
- Investec Investment - 9 103	Overstated	(84 000)
- Aid to members	Understated	8 700
- FNB bank account	Overstated	(8 700)
- RMB Investment	Understated	51 704
- FNB bank account	Overstated	(51 704)
15. Accumulated surplus		
Balance as per previous year statements - pre-audit	19 374 774	19 383 474
Plus: surplus for the year	520 381	-
Prior period adjustments		
- Audit journal - Aid to members	-	(8 700)
- Audit journal - RMB Interest - March 2024	26 939	-
- Audit journal - H E Janzen travel	(6 300)	-
Balance at year end	19 915 794	19 374 774

The RMB interest and travel expenses was movements that was omissions or misstatements and not changes in policy or estimates.



Assurance Report

**National Conventional
Arms Control Committee**



Assurance report of the auditor-general to Parliament on the conduct of the affairs of the National Conventional Arms Control Committee in terms of section 12 of the National Conventional Arms Control Act 41 of 2002 (as amended)

Report on compliance with legislation

1. 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 compliance with applicable legislation relating to the conduct of the National Conventional Arms Control Committee (NCACC). The chairperson of the NCACC is responsible for the committee's compliance with legislation.
2. In accordance with section 12 of the National Conventional Arms Control Act 41 of 2002, as amended (NCAC Act), I have performed a limited assurance audit engagement on the conduct of the affairs of the NCACC for the period ended 31 December 2024.
3. My full responsibility under the law, for my work and this report, is to Parliament.

Responsibility of the NCACC

4. The NCACC is responsible for compliance with the NCAC Act and related regulations.

Auditor-general's responsibility

5. As required by section 12 of the NCAC Act, my responsibility is to conclude on the compliance by the NCACC with sections 4, 7, 14, 23 and 27 of the NCAC Act. The functions of the NCACC, as stipulated in section 4(1) of the NCAC Act, refer to the Prohibition of Mercenary Activities and Regulation of Certain Activities in Country of Armed Conflict Act of South Africa, 27 of 2006, which has not yet come into operation, as no date has been determined by the president by proclamation in the *Government Gazette*.
6. I performed the assurance engagement in accordance with International Standard on Assurance Engagement (ISAE) 3000, *Assurance engagement other than audits or reviews of historical information*. The standard requires me to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate evidence regarding the subject matter of the engagement to support my assurance conclusion expressed below.

Summary of work performed

7. As the auditor of the NCACC, I have also audited the Department of Defence, which provided the secretariat for the NCACC for the period ended 31 December 2024. My limited assurance procedures included the following specific procedures related to the affairs of the NCACC:

- Inspecting the processes and structures established by the NCACC for the effective control of, trade in and possession of controlled items.
- Inspecting the processes and structures established by the NCACC for the effective regulation of the rendering of certain assistance or services in a country of armed conflict.
- Inspecting the guidelines, structures and processes established by the NCACC for the scrutiny and assessment of the application for the issuing of a permit under the NCAC Act.
- Confirming whether the NCACC has liaised with the relevant government agencies regarding the enforcement of the NCAC Act.
- Inspecting a sample of the authorisation or refusal of issuing any permits as contemplated in section 14 of the NCAC Act.
- Performing procedures to verify compliance with the conditions under which a permit was issued.
- Inspecting the register that must be kept in the prescribed form of persons involved in the trade in and possession of controlled items.
- Inspecting the register that must be kept of every permit issued:
 - Selecting a sample of permits issued and following them through to the register.
 - Selecting a sample of entries in the register and following them through to the permits.
- Confirming whether all reports were issued as specified in section 23 of the NCAC Act.
- Analysing reported data to identify anomalies.
- Verifying whether information supplied was relevant, reliable, complete and understandable.
- Verifying whether the NCACC performed any of the engagements as per section 4(2), 4(3), 4(4) and 4(5) of the NCAC Act, and performing additional audit procedures to obtain evidence of compliance with these sections, if applicable.
- Performing procedures to obtain evidence regarding the affairs of the NCACC as required by any regulations or notices published in the Government Gazette, as indicated in section 27 of the NCAC Act.

8. My procedures for gathering evidence were limited due to the nature of a limited assurance engagement; therefore, less assurance was obtained than would have been the case in a reasonable assurance engagement.
9. I believe that the audit evidence obtained as part of my assurance engagement with the NCACC for the period ended 31 December 2024 is sufficient and appropriate to provide a basis for my conclusion expressed below.
10. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Section 4 of the National Conventional Arms Control Act 41 of 2002 (as amended):

11. The NCACC through the Directorate for Conventional Arms Control (DCAC) did not refuse the issue of registration certificates in contravention with section 4(1)(d) of the NCAC Act, read with regulation 4(2)(a) of the NCAC regulations No. R326, as some of the applications for registration certificates were not accompanied by a tax clearance certificate from the South African Revenue Service (SARS) certifying that the applicant's tax affairs are in good order.
12. The NCACC through the DCAC did not refuse the issue of a registration certificate in contravention with section 4(1)(d) of the NCAC Act, read with regulation 4(2)(c) of the NCAC regulations No. R326, as applications for registration certificates were not accompanied by certified police clearance certificates issued by the SAPS.
13. The NCACC did not refuse the issue of contracting permits, in contravention with section 4(1)(d) of the NCAC Act, read with regulation 5(2)(c) of the NCAC regulations No. R326, as the applications for the contracting permits which were subsequently issued were not accompanied by the government authorisation from the end user's country.

Internal control deficiencies

14. I considered internal control relevant to my audit of the compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
15. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
16. The National Conventional Arms Control Committee (NCACC), and Directorate Conventional Arms Control (DCAC) did not exercise oversight responsibility, did not review and monitor compliance with section 4(1)(d) of the National Conventional Arms Control Act 41 of 2002 (as amended).

Professional ethics and quality control

17. I am independent of the NCACC 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.

18. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Conclusion

19. Based on my work described in this report, the conduct of the affairs of the NCACC did not comply with the terms of the NCAC Act in all material respects.

Auditor-General

Pretoria

15 August 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
National Conventional Arms Control Act 41 of 2002 (Act No.41 of 2002, as amended)	Section 4 Section 7 Section 14 Section 23 Section 27

