ANNUAL REPORT 2023/24

BMA

BORDER • MANAGEMENT • AUTHORITY

2030 NDP

30 YEARS OF FREEDOM

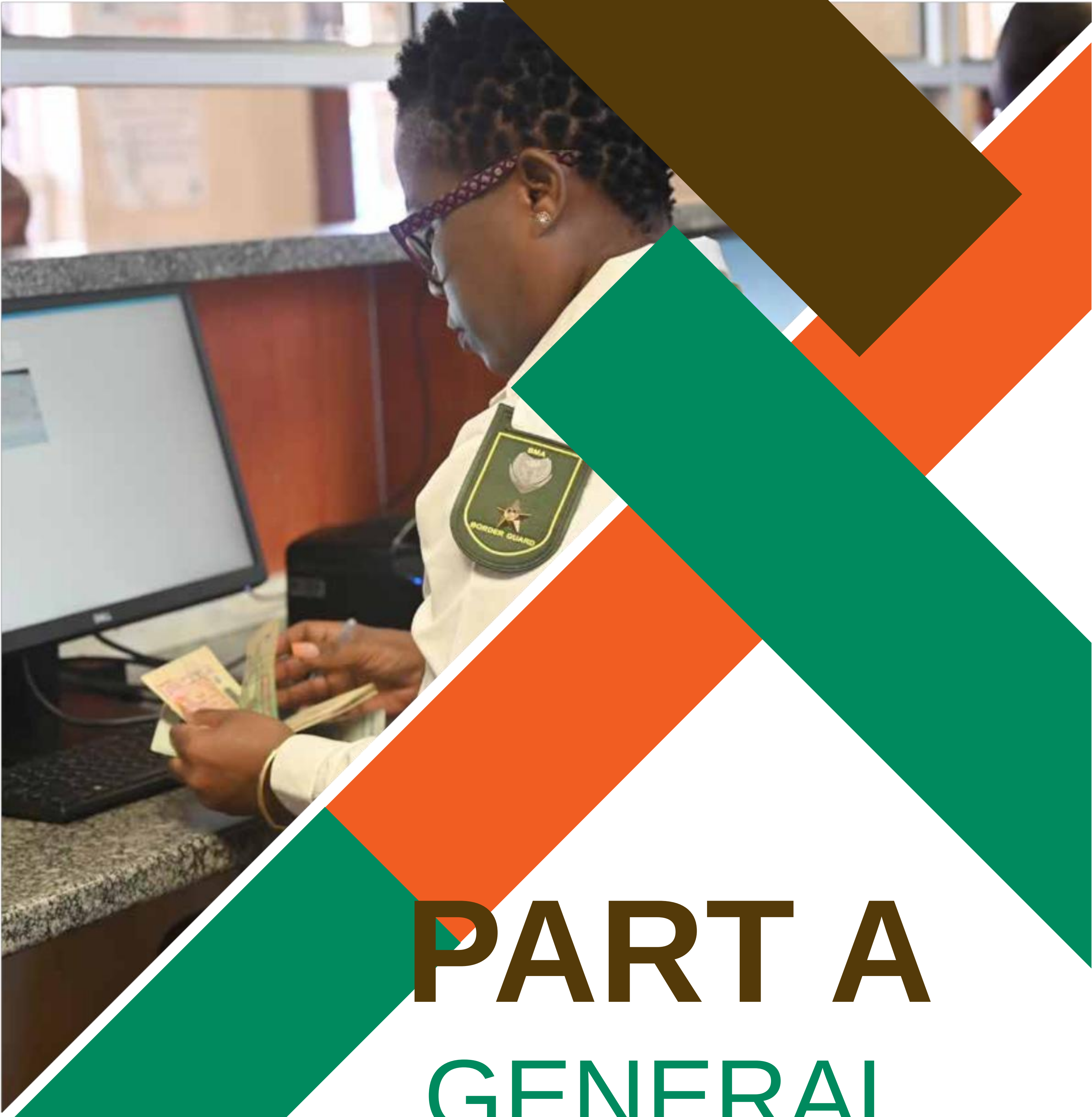
BORDER MANAGEMENT AUTHORITY

ANNUAL REPORT

2023/2024 FINANCIAL YEAR

CONTENTS


PORT ENFORCE



PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME

BORDER MANAGEMENT AUTHORITY

PHYSICAL ADDRESS

TSHEDIMOSETSO HOUSE

1035 FRANCES BAARD STREET

HATFIELD

PRETORIA, 0007

TELEPHONE NUMBER/S

012 432 6629

EMAIL ADDRESS

info@bma.gov.za

WEBSITE ADDRESS

www.bma.gov.za

EXTERNAL AUDITORS

AUDITOR GENERAL SOUTH AFRICA

BANKERS

ABSA BANK LTD

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
ARC	Audit and Risk Committee
AGSA	Auditor General of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BMA	Border Management Authority
CCP	Community Crossing Point
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DC	Deputy Commissioner
HCREMC	Human Capital and Remuneration Committee
IHR	International Health Regulations
MEC	Member of Executive Council
NEHNS	National Norms and Standards for Environmental Health
NTC	National Targeting Centre
PFMA	Public Finance Management Act, Act 1 of 1999
PoE	Port of Entry
RFP	Request for Proposal
RSA	Republic of South Africa
SANDF	South African National Defence Force
SAPS	South African Police Services
SARS	South African Revenue Services
SCM	Supply Chain Management
TR	Treasury Regulations

DR L.A SCHREIBER, MP
Minister of Home Affairs

3. FOREWORD BY THE EXECUTIVE AUTHORITY

The Border Management Authority (BMA) has made meaningful strides since it became operational. The BMA is the newest tool in South Africa's law enforcement arsenal. But this entity not only plays a critical role in safeguarding national security. It is also a key economic enabler, thereby contributing to the pursuit of the apex priority of the seventh administration, which is to grow the economy and create jobs.

The BMA's mandate is the facilitation and management of the legitimate movement of persons within the border law enforcement area and at ports of entry, as well as the facilitation and management of legitimate movement of goods within the border law enforcement area and at ports of entry.

This mandate places it at the core of facilitating economic growth, as the country seeks to make it easier to bringing in investors, people with scarce skills, tourists and entrepreneurs seeking to invest in existing businesses or establishing new ones.

This is a very important task that must be executed fully.

As the BMA does this, it must also balance it with its mandate to co-operate and co-ordinate its border law enforcement functions with the SA Police Service, SA Revenue Service and the SA National Defence Force, border communities, or any other persons such as local municipalities in border towns.

It must be a bulwark against illegal immigration and human trafficking in protection of mostly women and children against smuggling. It also has to protect the country's flora, fauna and the food chain by blocking the entry of alien plant species and diseases that threaten food supplies like foot-and-mouth disease.

The BMA has embraced the need for the digital transformation of all its processes as the key to fulfilling all aspects of its important mandate. Indeed, digital transformation is the apex priority for the BMA and the wider ecosystem that also incorporates the Department of Home Affairs and the Government Printing Works.

The BMA is making good progress in readying itself for its task. It started operating as an independent Schedule 3A Public Entity on 01 April 2023. Since then, it has transferred all officials who had previously been at the Departments of Home Affairs, Health, Environmental Affairs and Agriculture to its permanent BMA structure.

Another milestone is the deployment of an additional 400 Junior Border Guards in June 2024, after an eight-month training programme in law enforcement and in specialist BMA functions, such as immigration, environmental and agricultural control. The Junior Border Guards come from different parts of the country and have committed themselves to their patriotic duty when they took their oath in public in October 2023.

These Junior Border Guards are deployed at key and vulnerable land ports of entry, such as Beitbridge, Lebombo, Kosi Bay, as well as at Maseru and Ficksburg. Their primary tasks include addressing the scourge of illegal entry, the smuggling of illicit cigarettes, stolen high-value vehicles, and stock theft.

The successes of the BMA so far includes:

- The interception and direct deportation of over 296 000 individuals who had attempted to enter the country illegally; and
- The interception of over 303 vehicles that we destined for neighbouring countries when criminals attempted to illegally take them out of South Africa.

In the current economic environment, we must all do more with shrinking resources. This presents a golden opportunity to leverage technology and digital transformation as a powerful force multiplier, and to partner with the private sector.

In this regard, I welcome the once-off allocation of R150 million from the Criminal Assets Recovery Account (CARA). The BMA has to move with speed to procure critical security and ICT equipment, such as drones, body cameras, and speed boats through ARMSCOR.

I also welcome the invitation to the private sector to partner with the State in the redevelopment and redesign of the six busiest land ports of entry through a Public-Private Partnership. This work seeks to inject better infrastructure and improve technology in the targeted ports of Beitbridge with Zimbabwe, Lebombo with Mozambique, Oshoek with Eswatini, Maseru Bridge and Ficksburg with Lesotho, and Kopfontein with Botswana. This work is in line with our commitment to facilitate the implementation of the African Continental Free Trade Agreement (AfCTA). It will also help to address the underfunding of the BMA.

As the Minister of Home Affairs and the Chairperson of the Inter-Ministerial Consultative Committee on Border Management, I am committed to channeling the energy and wisdom of my colleagues and Directors-General of this committee to ensure that the BMA is supported to achieve its task.

We are committed to turning the BMA into a beacon of excellence through the embrace of modern technology and the opportunities offered by digital transformation in order to secure our country and generate the economic growth and job opportunities our country desperately needs.

DR L.A SCHREIBER, MP

MINISTER OF HOME AFFAIRS

DATE: 13 DECEMBER 2024

DR NM MASIAPATO
Commissioner - BMA

4. COMMISSIONER'S OVERVIEW

From 1994, a coordination approach to border management in the country was adopted, however, this approach resulted in systemic and structural problems within the South African border environment. Recognising these challenges and the socio-economic impact they had on the country; Cabinet adopted a new policy paradigm of integrated border management for the country in 2013 and endorsed the establishment of a single entity to manage activities in the border environment. The adoption of this new approach to border management was aimed at addressing and ensuring the safe and legitimate movement of travelers and goods; the rights of migrants; the country's national interests; the promotion of fair-trade facilitation; and the protection of environmental and biodiversity imperatives in line with the country's development goals as well as those of the continent and the world at large.

The Border Management Authority (BMA) was subsequently established as a single Schedule 3A Public Entity on the 1st of April 2023.

As the country's first line of defence, the establishment of the BMA represents a significant milestone in our ongoing efforts to manage and secure South Africa's borders, a mission that is critical in today's interconnected world.

Over the past year, the BMA has made commendable strides in operationalising the organisation in its first year of existence; and enhancing border control by ensuring a footprint at Ports of Entry and vulnerable segments of the land and maritime border law enforcement areas. These efforts have resulted in reductions in illegal activities in the border environment and enhanced our capability to respond effectively to emerging threats.

It is my distinct honour to table the BMA's first Annual Report where the organisation reflects on its pivotal role as one of the cornerstones of the country's national security and economic stability. This report provides an overview of our performance in enhancing border security, facilitating legitimate trade and travel, and safeguarding the nation's interests.

Overview of the operations of the BMA

The country's borders are gateways to opportunity, channels for trade, and, unfortunately, potential entry points for threats. The BMA is committed to striking a delicate balance: facilitating legitimate trade and travel that drive our economy forward, while vigilantly guarding against illegal activities that threaten our security and prosperity. To do this, the BMA executes its mandate through the following two programmes:

- Corporate Services
- Operations

Corporate Services is responsible for the provision of strategic leadership, management and support services in the BMA. The programme covers all functions of the Authority that support its core business such as policy development, counter-corruption, governance, financial services, human resources (HR) management and development, labour relations and legal services. It is further responsible for the provision of information communication technology (ICT), facilities and infrastructure, communication and stakeholder management, as well as training and development.

The Operations programme is responsible for the execution of the BMA's core business functions. In this regard, the programme covers all core business functions of the BMA such as border law enforcement, human and goods movement, specialised port functions within the BMA such as Port Health, Agriculture, Environmental and Immigration services as well as national risk and targeting management.

To ensure good governance and adherence to universal governance principles, the work of the Authority is guided by two governance committees, namely, the Audit and Risk Committee (ARC); and the Human Capital and Remuneration Committee (HCREMC). The ARC exercises oversight over the BMA's financial reporting process, the system of risk management, governance and internal control, the audit process, and the BMA's processes for monitoring compliance with laws and regulations and the code of conduct. The HCREMC assists the Authority in developing efficient human capital related systems, policies and frameworks that are aligned to national legislation and principles of good governance.

Considering that the Authority is an implementing entity of various pieces of legislation transferred from four key policy departments, the BMA further reports to two statutory Committees which are primarily responsible for the operationalisation and functioning of the BMA, i.e. the Inter-Ministerial Consultative Committee (IMCC) on Border Management; and the Border Technical Committee (BTC).

The IMCC is established by Section 24 of the BMA Act, 2020 and comprises of the following members:

a. Minister of Home Affairs (Chairperson)

b. Minister of Agriculture;

c. Minister of Defence and Military Veterans;

d. Minister of Forestry, Fisheries and the Environment;

e. Minister of Finance;

f. Minister of Health;

g. Minister of Police;

h. Minister in the Presidency responsible for State Security;

i. Minister of Trade, Industry and Competition; and

j. Minister of Transport.

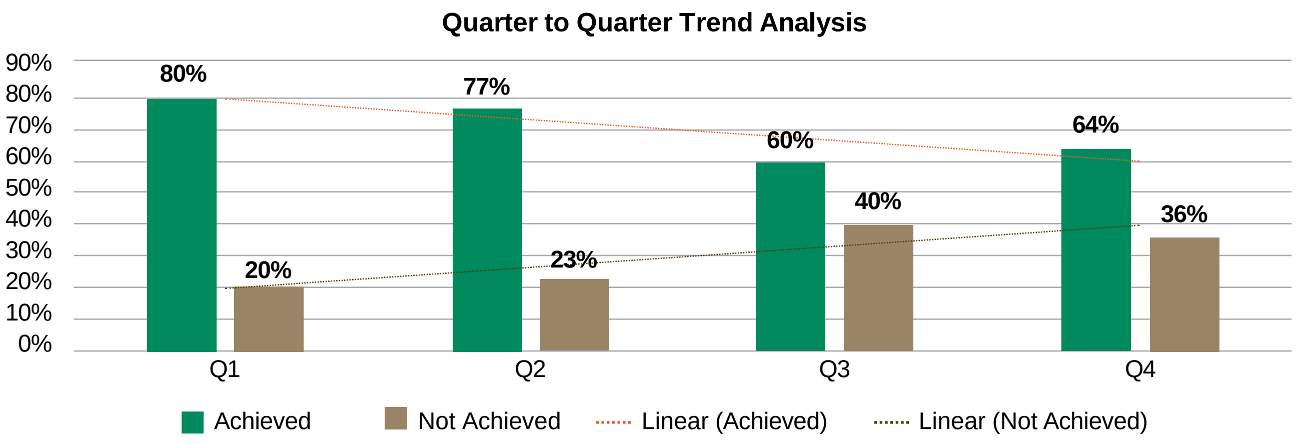
At a technical level, Section 25 of the BMA Act, 2020 establishes the BTC which is chaired by the Commissioner of the BMA and comprises of the Accounting Officers of the abovementioned Departments.

Overall performance of the BMA

For the period under review, the BMA achieved 60% of its Annual Performance Plan (APP) targets. Numerically, this translates to 9 of 15 targets being achieved. The annual performance is reflected in the table below:

Programme	Number of planned targets	No. of targets achieved	% of targets achieved	No. of targets not achieved	% of targets not achieved
Programme 1: Corporate Service	5	4	80%	1	20%
Programme 2: Operations	10	5	50%	5	50%
Total	**15**	**9**	**60%**	**6**	**40%**

The BMA's quarterly performance trend analysis is shown in the graph below:



Considering that this was the first year of the BMA, the achievement rate of 60% reflects our commitment to enhancing border security, facilitating legitimate trade and travel, and safeguarding the nation's interests. While we recognise there is still work to be done, this achievement demonstrates significant progress towards our strategic objectives as we remain dedicated to building on this momentum in the years to come.

Challenges

Notwithstanding its annual performance, the Authority encountered several challenges in its first year as an autonomous entity. These challenges were related to funding, the integration of staff and capacity shortages at all levels across the entity.

Funding

The BMA faced difficult financial constraints stemming from the entity not receiving the full funding that had been requested from National Treasury. These financial constraints were further exacerbated by the cost containment measures introduced by the National Treasury during the financial year, aimed at managing the government spending and easing the pressure on the constrained fiscus.

Engagements, through appropriate channels, continue to be undertaken with National Treasury in an effort to secure additional funding for the BMA.

Integration

About 2,073 employees were transferred to the BMA from four policy departments, i.e. Departments of Agriculture, Land Reform and Rural Development (DALRRD); Forestry, Fisheries and the Environment (DFFE); Health (DoH) and Home Affairs (DHA).

The first few months of the BMA's establishment were characterised by payroll challenges and the failure to seamlessly transfer information from the Persal System to SAGE. In addition, the HR and financial systems automation did not take off in April 2023 as was anticipated.

To resolve these challenges, the BMA appointed a third-party interphase company to address the payroll challenges; whilst the SAGE project plan was accelerated to ensure the automation of the BMA's HR and finance systems, resulting in efficiencies across the finance, supply chain and human resources management functions.

Capacity shortages

The aforementioned transferred staff were predominantly frontline officials based at Ports of Entry, with the remaining being a negligible number of administrative support. The transfer did not include any corporate support staff and managers in areas such as human resources management, recruitment, labour relations, legal, finance and ICT. This back-office capacity gap saw the BMA having to rely on the shared services agreement with the DHA, together with a handful of seconded personnel.

On the frontline, the BMA also faced capacity challenges at both operational and management level. Some Ports of Entry are currently managed by below Middle Management Service officials, while the majority are operating with skeleton staff.

To address these challenges, the BMA has identified critical posts to be filled and recruitment processes are underway in this regard.

Overview of the BMA's financial report

In the 2023/24 financial year, the BMA was allocated a budget of R1.34 billion, which mostly represented budgets received from the four policy departments that transferred functions to the BMA. A further R250 million was received from National Treasury to assist with the establishment of the entity.

Financial Overview

The approved budget, as expected, proved to be materially insignificant in being able to assist in the establishment and stabilisation of the new entity. The entity has struggled to procure adequate tools of trade to efficiently and effectively deliver on its mandate. Furthermore, the entity continues to be inundated with capacity constraints within Corporate Services (Support services) and Operations as it struggles to attract requisite skills due to the lack of funding.

To augment the financial constraints, the entity applied and received CARA funding of R150 million. The CARA funding is to be used for the purchase of specialised equipment that will be assist the Operations Division in fulfilling the BMA's mandate at the border law enforcement areas and Ports of Entry.

Furthermore, to resolve the capacity constraints, the BMA signed a shared services agreement with DHA to provide services in functions that, subsequent to the transfer, had very limited resources in the finance, supply chain management and other corporate service functions.

Financial comparison

In the period under review, the entity reported revenue of R1.595 billion, this is 19% above the budgeted revenue of R1.341 billion. The main reason for the variance is due to the CARA funding of R150 million received during the year and revenue earned from special functions that were transferred from the DHA; DALRRD and DoH.

The BMA reported total expenditure of R1.429 billion for the 2023/24 financial year, which was above the budget of R1.144 billion. The increase is mainly due to Compensation of Employee (CoE) related expenditure that had not been budgeted for; and also includes the accruals for leave and 13th cheques. Furthermore, attributable to the increase CoE is that the entity had estimated that 200 trainee border guards would be enrolled in the BMA capacitation programme in 2023/24. However, due to capacity constraints at the Ports of Entry, the number of trainee border guards enrolled increased to 400. The goods and service expenditure increased when compared to the budget, this was mainly due to the high demand for tools of trade and travel due to the deployment of border guards and BMA officials to Ports of Entry during the Festive Operational Season. The deployments were required to assist with the efficient and effective facilitation and management of the movement of persons and goods within the border law enforcement areas and the larger and busier Ports of Entry.

Even though the entity overspent on the budget, the increase in the total revenue assisted in ensuring that the BMA reported a surplus of R166.2 million for the 2023/24 financial year.

Spending trends of the public entity

The 2023/24 financial year was the BMA's first year of operation and as such, the entity focused on spending that would ensure the smooth and seamless transfer of the officials into the BMA. In light of this, the entity's spending trends were as follows:

a. Raising awareness of the new entity which has been tasked with a mammoth responsibility of ensuring the security of the country. This is the reason for the increase in the advertising cost.

b. Ensuring the availability of tools of trade and the management thereof. This includes the procurement and management of fleet, uniform and computer equipment.

c. Deployment of border guards, officials, and DHA and BMA support staff to assist at Ports of Entry during the Festive Season peak periods. DHA officials were utilised for the December 2023 Festive Season operation and the BMA was required to reimburse DHA for costs incurred as a result of this operation. The increase in the cost of travel and accommodation is attributable to these Festive Season operations.

Requests for rollover of funds

With 2023/24 being the first year of operation, the BMA did not have any rollover funds.

Supply Chain Management

During the period under review, the procurement function was outsourced to DHA through the signed share service agreement due to capacity constraints. The entity took a decision that given the known capacity constraints within Finance and SCM, no Requests for Proposals would be issued in the 2023/24 financial year. The majority of the procurement was performed through transversal contracts and other means of procurement e.g. use of other organs of state contracts and the Request for Quotation process. In all the procurement performed, the BMA used the DHA SCM policy and Standard Operating Procedures (SoP) which are aligned with the applicable National Treasury regulations.

On the 01 February 2024 after BMA had set up its own Supply Chain Management Unit; and designed and developed its internal control processes. The SCM outsourcing agreement with DHA was halted and the BMA's SCM Unit commenced with procurement activities for the entity.

The BMA has subsequently developed its own SCM policies that are aligned with the National Treasury regulations.

All concluded unsolicited bid proposals for the year under review

During the period under review, the BMA did not conclude any unsolicited bid proposals.

Plans to address financial challenges

BMA has raised the funding challenges with various critical stakeholders and is in discussions with National Treasury for additional allocation of budget to the BMA. Furthermore, BMA will be applying for additional funding from the CARA grant. These funds will be focused at acquiring security ICT infrastructure.

Through the SLA/MoU signed with the Departments and other relevant stakeholders, the BMA believes that cost efficiencies can be realised through collaboration.

On challenges relating to capacity, the entity will, as far as possible, be focusing on utilising technology to augment the capacity challenges, however where it is not possible for technology to assist, critical positions have been identified and a budget has been reserved for these positions.

Economic Viability

The BMA reported a healthy financial position with the current assets exceeding the current liability. This shows that the entity would be able to settle the short-term liabilities as they fall due. A good current ratio is between 1.5 and 3. In the current year under review BMA reported a current ratio of 1.5, this is considered to be good in terms of industry norms. Further to this, the entity reported a net asset status as at 31 March 2024. This indicates that the entity has sufficient assets to cover all its liabilities as and when they fall due.

The BMA Management approved the cost containment measures that are aimed at reducing costs and ensuring that expenditure is effectively and efficiently managed as this will assist the entity in maintaining financial viability.

It is expected that the BMA should continue to be profitable in the next financial year as there is a guaranteed R1.4 billion allocation from National Treasury. Further the entity is generating revenues from the specialised functions.

Even with the financial constraints experienced during the financial year under review, there has been no interruption to business. The Authority has been able to service all its customers and deliver on its mandate. There are also no indicators that suggest that the entity will not be able to service its mandate in the future.

Additional financial information

During the financial year under review the entity utilised assets from transferring departments of which at year end had not been transferred to the BMA in accordance with GRAP 105 and PFMA Section 42.

The BMA utilised the transferring Departments for the collection of revenue i.e. the DALRRD and DoH during the 2023/24 financial year. The transactional arrangement has been accounted for in accordance with GRAP109 principals and agents.

Audit Related Matters

As part of the BMA's commitment to good governance, the BMA ARC meets quarterly in line with its charter to oversee governance issues, risk management, performance management, information technology and the internal financial controls of the entity, including the work of external and internal auditors.

The entity has, through the DHA, performed internal audits which covered core functions such as HR; Information Technology; and planning, monitoring and evaluation. In summary, the majority of the Internal Audit reports issues are indicating a gap with regards to policies, and standard operating procedures which require management's immediate attention.

Public-Private Partnerships (PPPs)

The redevelopment of six (6) land Ports of Entry project is being pursued as a Public-Private Partnership (PPP). The Project is aimed at improving efficiencies at the following Ports of Entry with regard to the movement of persons and goods:

- Beit Bridge Port of Entry (bordering with Zimbabwe);
- Ficksburg Port of Entry (bordering with Lesotho);
- Kopfontein Port of Entry (bordering with Botswana);
- Lebombo Port of Entry (bordering with Mozambique);
- Maseru Bridge Port of Entry (bordering with Lesotho); and
- Oshoek Port of Entry (bordering with eSwatini).

By the end of the 2023/24 financial year, this was still in the procurement phase with the procurement document, i.e. Request for Proposal (RfP), having been issued to the market.

The project value, as of 2016/17 estimates, was R7 billion. The project is expected to yield direct and indirect socio-economic benefits for communities living around the six (6) designated Ports of Entry; and also contribute to the country's broader economy in line with the Medium-Term Development Plan (MTDP).

Planned Activities

Over the upcoming MTDP period the BMA will pursue activities related to:

a. Entrenching its architectural posture that is geared towards enhancing national security and protecting our national interests;

b. Establishing a single organisational culture with improved alignment with the policy departments; and

c. The utilisation of technology as a force multiplier in the operational environment and for improving processes in the corporate services environment.

Acknowledgement/s or Appreciation

a. I extend my deepest gratitude and appreciation to all those who have contributed to the BMA's success over the past year. I extend my heartfelt gratitude to the IMCC on Border Management and the BTC. The Committees continue to provide visionary leadership and unwavering support when overseeing the operations and execution of the BMA mandate. I also acknowledge the invaluable support and collaboration of state organs in the security cluster.

b. The DHA led by the Honourable Minister, Dr Leon Schreiber, is playing a critical role in shaping the strategic direction of the BMA with advocacy and the unwavering support has been pivotal in driving our mission forward. Through this support from the Department, we have managed to align our efforts with national priorities in ensuring that the BMA operates within a robust and effective policy framework. Deputy Minister Njabulo Nzuza, Director-General Tommy Makhode and all Executives at Home Affairs have been exemplary in this aspect.

c. The BMA cannot operate in isolation, the invaluable support and collaboration of our stakeholders and partners, including various government departments, law enforcement agencies, and international counterparts, has been crucial in enhancing our border management capabilities. Implementation protocols signed with the South African National Defence Force, South African Police Service and the South African Revenue Services have made the work of the Authority more effective. Through these protocols various interceptions and joint operations were conducted to further combat cross-border crimes. The invaluable cooperation and support from the four policy departments that transferred employees to the BMA made the transitional year less painful.

d. We appreciate the support from international organisations such as the United Nations, International Organisation for Migration (IOM), and our neighbouring countries who continue to collaborate on vital aspects of addressing cross-border challenges and fostering regional stability.

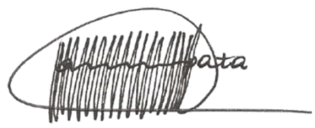
e. The advisory and oversight bodies provide support to the BMA as we implement new measures and improvements. The ARC has been vigilant and has significantly contributed to our efforts on audit matters and risk mitigation. The HCREMC has assisted with valuable insights and recommendations, ensuring that our human resource operations are transparent, accountable, and aligned with best practices of entities similar to the BMA. Equally, in operations, the Committees supporting the critical work in the National Targeting Centre and Law enforcement contribute tremendously to our operations.

f. The media has provided a good springboard for the promotion of the BMA brand. These members of the fourth estate have played a pivotal role in positively raising public awareness and understanding of the BMA's mission and objectives. Through extensive coverage, informative articles and engaging broadcasts, media outlets have helped to highlight the BMA's initiatives, achievements, and the importance of ensuring secure borders for development. This visibility has been instrumental in fostering public support, enhancing transparency, and ensuring that stakeholders are well-informed about our efforts to safeguard South Africa's ports of entry. We are grateful for the media's partnership in amplifying our message and values.

g. Lastly, my sincere gratitude goes to the BMA staff for their dedication, professionalism, and hard work. Your unwavering commitment to upholding the integrity of our Ports of Entry is truly commendable. Special recognition is due to the operational teams on the ground, at the land, sea, and air Ports of Entry for their relentless efforts in maintaining security and facilitating legitimate trade and travel.

The achievements of the Border Management Authority are the result of collective efforts and a shared vision for a secure and prosperous South Africa.

As we look forward to the coming year, I am confident that, with continued dedication and collaboration, we will build on our successes and overcome any challenges that lie ahead.



DR NM MASIAPATO

COMMISSIONER - BMA

BORDER MANAGEMENT AUTHORITY

DATE: 13 DECEMBER 2024

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

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General South Africa.

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

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

The Annual Financial Statements (Part F) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully,

COMMISSIONER

NAME: DR NM MASIAPATO, PhD

DATE: 13 DECEMBER 2024

EXECUTIVE AUTHORITY

NAME: DR L.A SCHREIBER, MP

DATE: 13 DECEMBER 2024

6. STRATEGIC OVERVIEW

6.1. Vision

A world-class integrated border law enforcement authority partnering for a safe and prosperous South Africa.

6.2. Mission

To be a credible provider of highly efficient, integrated, well-coordinated and technology-driven border law enforcement services that contribute to national security and socio-economic development by inculcating an ethical culture that empowers teams for service excellence.

6.3. Values

The shared values to be enshrined in the Border Management Authority (BMA) are as follows:

Values	Operating Principles
Patriotism	To defend and uphold the Constitution and contribute to the Government's developmental agenda
Vigilance	To keep alert for dangers, risks or difficulties that can frustrate efficient border management
Integrity	To act honestly, fairly and with dependability
Excellence	To establish a culture of service excellence in the border environment
Professionalism	To promote a high standard of professional and ethical behaviour in the border environment that adheres to the BMA Code of Conduct and the Batho Pele principles
Innovation	To develop new ways to improve and ensure that BMA executes its border management mandate better

6.4. BMA MANDATE

The BMA is in terms of the BMA Act (Act No 2 of 2020) mandated to carry out the following functions:

a. Facilitate and manage the legitimate movement of persons within the border law enforcement area and at ports of entry;

b. Facilitate and manage the legitimate movement of goods within the border law enforcement area and at ports of entry; and

c. Cooperate and coordinate its border law enforcement functions with other organs of state, border communities or any other persons.

Furthermore, the BMA must contribute to a multiplicity of objectives that are clustered around the following concepts:

- National security;
- Authorised migration and movement of persons;
- Trade facilitation and the authorised movement of goods;
- Biosecurity (authorised movement, protection and conservation of specified food, plants, animals and related products);
- Inclusive socio-economic development;
- Regional integration;
- Sustainable development and protection of environmental resources; and
- Global peace, justice and human solidarity.

While the BMA has to operate through coordination with organs of state to ensure efficiency in border management, 'the border law enforcement functions within the border law enforcement area and at ports of entry must be performed exclusively by the officers of the Authority' (BMA Act, Sec. 4(2)).

6.5. BMA OUTCOMES

The outcomes that direct the BMA strategic focus and deployment of resources and capabilities are as follows:

- Institutional excellence distinguished by good corporate governance and ethical leadership;
- Secure borders that protect national interests and enhance national security;
- Enhanced trade and socio-economic development; and

- Strengthened coordination and cooperation amongst stakeholders within the border management environment.

7. LEGISLATIVE AND OTHER MANDATES

7.1 CONSTITUTIONAL MANDATE

The BMA is an organ of state established as a national public entity in terms of Schedule 3A of the Public Finance Management Act (PFMA), 1999, and derives its Constitutional mandate from numerous Sections of the Constitution of the Republic of South Africa. In particular, Section 11(1)(c) accords everyone the right to freedom of movement, the right to leave the Republic and the right to enter, to remain in and to reside anywhere in the Republic. Furthermore, in line with Section 10 of the Constitution, the BMA will execute its mandate of facilitating the legitimate movement of persons with due regard for everyone's inherent dignity and the right to have their dignity respected. In keeping with Section 41(1)(a) of the Constitution, the BMA will, in the implementation of protocols signed with other organs of state, cooperate in mutual trust and good faith by (a) fostering friendly relations; (b) ensuring mutual support where necessary; (c) informing the other organs of state on matters of common interest; (c) adhering to agreed procedures; and (d) avoiding legal proceedings against other organs of state. In compliance with Section 21 of the Constitution, the BMA will ensure that all environment-related requirements are enforced in line with the applicable legislation to protect the environment in a sustainable manner. The BMA shall adhere to the democratic values and principles as required of public administration in Section 195(1)(a)(i) of the Constitution. In line with Section 198(a), South Africans are entitled to experience a sense of national security that must reflect in their living in peace and free from any fear.

7.2 THE BORDER MANAGEMENT AUTHORITY ACT NO. 2 OF 2020

The BMA is established as an armed service in terms of Section 199(3) of the Constitution, a third in the country in addition to the South African National Defence Force (SANDF) and the South African Police Service (SAPS). The Border Management Authority Act No. 2 of 2020 (BMA Act), the Authority's founding legislation, mandates the BMA to:

a. Facilitate and manage the legitimate movement of persons within the border law enforcement area and at ports of entry;

b. Facilitate and manage the legitimate movement of goods within the border law enforcement area and at all ports of entry; and

c. Cooperate and coordinate its border law enforcement functions with other organs of state, border communities or any other persons.

The Authority is mandated to perform these functions with a view to:

- Secure the borders of the Republic and protect national interest;
- Implement integrated and coordinated border management in accordance with the Constitution, international and domestic law;
- Contribute to the socio-economic development of the Republic; ensure effective and efficient border law enforcement functions at the ports of entry and vulnerable segments of the border line; contribute to the facilitation of legitimate trade and secure travel;
- Contribute to the prevention of smuggling and trafficking of human beings and goods;
- Prevent illegal cross-border movement and contribute to the protection of the Republic's environmental and natural resources;
- Protect the Republic from harmful and infectious diseases, pests, and substances; and
- Balance the facilitation of legitimate trade and travel with security and the constitutional responsibility of the South African National Defence Force to defend and protect the Republic, its territorial integrity, and its people.

7.3 Transfer of functions to the BMA through Presidential Proclamation and Ministerial Delegation

The BMA's mandate is further extended by the transfer of functions in terms of Section 97 of the Constitution, through a Proclamation by the President of the Republic of South Africa dated 30th August 2022, and subsequent Ministerial delegation of selected functions from the Department of Agriculture, Land Reform and Rural Development (DALRRD); Department of Forestry, Fisheries and Environment (DFFE); Department of Health (DoH); and Department of Home Affairs (DHA).

8. ORGANISATIONAL STRUCTURE

8.1 MICROSTRUCTURE

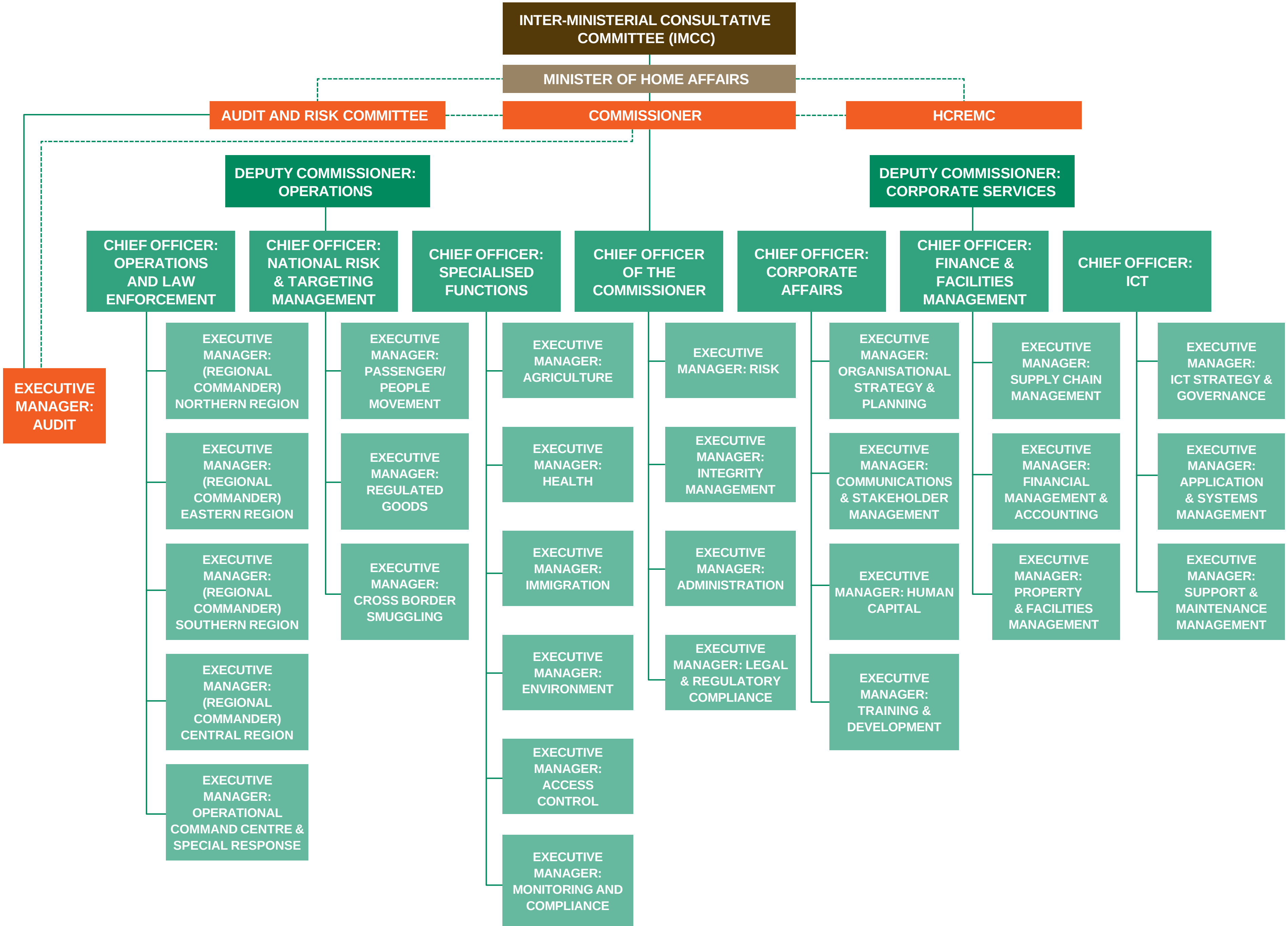
EXECUTIVE AUTHORITY
DR L.A SCHREIBER, MP

COMMISSIONER
DR N.M MASIAPATO, PhD

MS J.J.M THUPANA
DEPUTY COMMISSIONER: CORPORATE SERVICES

MAJ GEN D CHILEMBE (rtd)
DEPUTY COMMISSIONER: OPERATIONS

8.2 MACROSTRUCTURE



PART B

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 72 to 83 of the Report of the Auditor's Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

Border Management and law enforcement in South Africa was previously exercised through multiple government departments and state agencies. Notwithstanding the existence of co-ordination mechanisms and more which can be done to strengthen the systemic and structural management through integration and coordination there is a need to improve efficiencies and effectiveness of both the security-oriented and facilitative functions of Border law enforcement and border control. Optimum border control requires a balance between multiple dimensions including the control and facilitation of persons' movement and cross-border trade, border security and the fight against cross-border crime in all its forms and, in order to succeed to deliver these services efficiently and effectively, adequate resources through both human capital and otherwise are required. The biggest challenge the BMA has been faced with during the period under review has been inadequate budget allocation which had a negative impact on recruiting sufficient critical human capital capacity and other resources such as technological equipment, the necessary border law enforcement equipment and other security measures.

2.2. Organisational environment

During the period under review, Corporate Affairs continued to recruit and capacitate the technical levels of the units in the sub-branch and others within the Authority, in an effort to improve service delivery. Talent attraction and retention is a challenge for Corporate Affairs to recruit, develop and retain competent talent in addition to the staff transferred to the BMA from the four departments.

Organisational and individual performance management and development has not been easy without proper standardised processes, system and tools, however, Corporate Affairs sub-branch's Strategy, Planning and Monitoring unit ensured that the broader government planning, monitoring and evaluation framework was complied with. The Authority has continued to develop the organisational structure and culture as an entity that had to infuse cultures from the talent of diverse backgrounds to the BMA organisational culture to be lived organisation wide. The structure depicts the correlation between proposed job titles and approved ranks. The structure was stratified in line with the Paterson Job Grading System.

On completion of the Job Grading process the actual grades were reflected in all jobs in the structure. New values of the Authority were from time to time communicated with employees through the limited available platforms the Authority had from the beginning of 2023/2024 financial year so that they can be practised and applied as required. The Authority has conducted benchmark exercise on the best practices in the market facilitated by Legal Services unit to develop its own policies and Standard Operating Procedures (SOPs) to guide how employees had to carry out their responsibilities in line with the acceptable corporate affairs practices with the aim of achieving the organisational objectives and goals. The organisational ability to attract and retain the best talent especially in the technical field has become a challenge due to competition for best talent in the law enforcement environment especially the border law enforcement.

The Chief Information Officer (CIO)'s office was formally established through appointment of the CIO and Executive Manager of Application in November

2023. The authority ICT five-year strategic plan was approved leading to Corporate governance of ICT policy frameworks and ICT charter documents been developed and approved by EXCO. BMA ICT environment is inheriting several challenges of inadequate network infrastructure at our land ports, lack of computers for our users and lack of application systems necessary for the functioning of the BMA.

2.3. Key policy developments and legislative changes

On 30 October 2023 the Constitutional Court delivered a judgment in the matter of Ex Parte Minister of Home Affairs and Others [2022] ZACC 34. In re Lawyers for Human Rights v Minister of Home Affairs and Other [2017] ZACC 22. The judgment has introduced new supplementary legal requirements in respect of the implementation of section 34 of the Immigration Act, 2002(Act No 13 of 2002 as amended). Thus, subject to and pending the enactment of legislation outlined in paragraph 2 of the Order, as from the date of the order and pending remedial legislation to be enacted and brought into force within 12 months from the date of this order, the following provisions, supplementary to those contained in paragraph 4 of this court 's order of 29 June 2017, shall apply:

1. An immigration officer/border guard considering the arrest and detention of an illegal foreigner in terms of section 34(1) of the Immigration Act must consider whether the interest of justice permits the release of such person, subject to reasonable conditions and must not detain such person if he or she concludes that the interest of justice permits the release of such person subject to reasonable conditions. This means that an immigration officer/ border guard must exercise a discretion in each case before detaining or arresting an illegal foreigner on whether or not the interest of justice permits the release of an illegal foreigner with reasonable conditions.
2. 2An illegal foreigner detained or arrested in terms of section 34(1) of the Act shall be brought before a court of law within 48 hours from the time of arrest or detention or not later than the first court day after the expiry of the 48 hours if 48 hours expired outside ordinary court days. This means that an immigration officer/border guard must ensure that an illegal foreigner arrested or detained in terms of section 34(1) is brought before court within 48 hours from the time of arrest or detention. If the 48 hours falls on a weekend or public holiday, then on the first court day thereafter. This is commonly referred to as a right of first appearance in court.
3. The court must consider whether the interests of justice permits the release of that illegal foreigner with reasonable conditions, and if so, order the release of the illegal foreigner.
4. If the court concludes that the interests of justice do not permit the release of such a person, the court may authorise the further detention of the illegal foreigner for a period not exceeding 30 calendar days. The BMA officers do not have an automatic period of 30 days to detain a person but it is only a court which must decide on the first appearance within the 48 hours whether or not to order further detain the person for a period not exceeding 30 days. In other words a period of further detention order by the court may be 30 days or less.
5. If the court has ordered a further detention of the illegal foreigner for a period not exceeding 30 days, such a person must again be brought before the court before the expiry of the 30 days or such period as authorised by the court, for the court to consider if the interests of justice permits the release of such a person with reasonable conditions and if so, release such a person with reasonable conditions.
6. If the court concludes that the interests of justice still do no permit the release of such person, the court may authorise the detention of such a person for a further adequate period not exceeding 90 calendar days.
7. The person brought before court must be given an opportunity to make representation to court before a decision is made.

The Minister of Home Affairs has issued Immigration Directive No 1 of 2024 in terms of section 7(1)(o) and (p) read with regulation 33 of the Immigration Regulations, 2014 prescribing forms 28'29,30, 31 and 32 to be used by the immigration officers pending the remedial legislation referred to in the order of the Constitutional Court.

2.4. Progress towards achievement of institutional Impacts and Outcomes

BMA's strategic outcomes as published in the 2023-2025 Strategic Plan remain unchanged; they are:

- Institutional excellence distinguished by good corporate governance and ethical leadership;
- Secure borders that protect national interests and enhance national security;
- Enhanced trade and socio-economic development; and
- Strengthened coordination and cooperation amongst stakeholders within the border management environment.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme 1: Corporate Services

Deputy Commissioner:
Ms Jane Thupana

Assistant Commissioner
Ms Zamachonco Chonco

Assistant Commissioner
Mr Themba Dubazana

Assistant Commissioner
Mr Azwidohwi Managa

Assistant Commissioner
Dr Nkhuliseni Luvhengo

Programme 1	Corporate Services
Programme Purpose	Provide strategic leadership, management and support services to the BMA. The Corporate Services programme covers all functions of the BMA that support its core business, such as policy development, counter-corruption, governance, financial services, human resource (HR) management and development, labour relations and legal services. It is also responsible for the provision of information communication technology (ICT), facilities and infrastructure, communication and stakeholder management, as well as knowledge and information management.
Sub-Programme: Corporate Affairs	**Institutional Outcome:** Institutional excellence distinguished by good corporate governance and ethical leadership. The purpose of the sub-programme is to manage the corporate affairs of the BMA through the following units: *Organisational Strategy and Planning:* Effectively and efficiently plan the operations of the BMA, monitor organisational performance and report thereon. *Legal and Compliance:* Develop a legal and regulatory framework which includes litigation, drafting and contracting for the BMA. *Human Capital Management:* Develop and manage the Human Capital Strategy and plan for the BMA. *Training and Development:* Provide training and development services and manage the training institution. Communication and Marketing: Develop a Marketing and Communication strategy and plan for the BMA.
Sub-Programme: Finance, Facilities and SCM	**Institutional Outcome**: Institutional excellence distinguished by good corporate governance and ethical leadership. The sub-programme ensures effective, efficient and economic utilisation of financial resources in line with financial prescripts through the development and effective implementation of financial system, policies, frameworks and procedures. This includes budget planning and expenditure monitoring, and management of procurement, acquisition, logistics, asset and financial transactions: *Finance:* The unit manages the finances of the BMA. *Facilities Management:* The unit manages all facilities, security and uniform activities of the BMA. Supply Chain Management: The sub-programme is responsible for managing the BMA's procurement system.

Programme 1	Corporate Services
Sub-Programme: Information and Communications Technology	**Institutional Outcome:** Institutional excellence distinguished by good corporate governance and ethical leadership. The purpose of the sub-programme is to provide cutting-edge information and communication technologies to drive organisational innovation, operational efficiency, and institutional excellence. This sub-programme aims to provide robust, scalable, and secure ICT infrastructure and services that support the BMA's strategic objectives, enhance competitive advantage, and enable digital transformation across all business functions. The ICT sub-programme comprises of the following units: *ICT Strategy and Governance:* Is responsible for defining the strategic direction for ICT, establishing governance frameworks, and ensuring alignment with the organisation's overall strategic objectives. This unit oversees the effective management of ICT resources, policies, and compliance with regulatory requirements. *Applications and Systems Management:* Is responsible for the development, deployment, and maintenance of software applications and systems that drive the BMA's core business processes. This unit ensures that applications are aligned with business needs, are user-friendly, and deliver high performance and reliability. *ICT Infrastructure and Operations:* Is responsible for designing, implementing, and managing a robust, reliable, and scalable IT infrastructure for the BMA. This unit ensures seamless and uninterrupted operation of the organisation's technology systems, supporting business continuity and enabling operational efficiency.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 1: Corporate Services had a total of five (5) planned targets for the financial year. Out of the five (5) planned targets, four (4) were achieved, while one (1) was not achieved. The achievement of the four (4) targets has contributed to the building of institutional excellence distinguished by good corporate governance and ethical leadership. The target that was not achieved relates to the payment of 100% of all valid invoices submitted. To this end, the BMA has improved its Supply Chain Management and accounting systems to ensure overall improvement from the 93.5% performance of the 2023/24 financial year to a 100% performance in the following financial year.

The implementation of the BMA Gender-based Violence and Femicide Plan, as per approved implementation plan, has contributed to increasing awareness and the need to fight against the problem of Gender-based Violence and Femicide in the country and in the workplace. Moving forward, the BMA will continue to prioritise employment equity, especially with regards to the space around females, youth and persons with disability.

Programme / Sub-programme: Corporate Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
1. Institutional excellence distinguished by good corporate governance and ethical leadership	Business process reviews to detect systems and process related vulnerabilities to fraud and corruption	Number of business process reviews conducted to detect system- and process related vulnerabilities to fraud and corruption.	New	New	3 business process reviews conducted to detect system- and process- related vulnerabilities to fraud and corruption.	**Achieved** 3 business process reviews conducted to detect system- and process- related vulnerabilities to fraud and corruption were approved.	None	None

Programme / Sub-programme: Corporate Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
	Valid invoices paid within set timelines	% of valid invoices paid within 30 days	New	New	100% of valid invoices paid within 30 days	**Not Achieved**	6.5% of valid invoices were not paid within 30 days	BMA had challenges with the processing and payment of invoices submitted by service providers to the 4 Departments that were responsible for function that have been transferred to the BMA. Also, dependence on DHA financial and procurement systems led to delays in the processing and payment of certain invoices.

Programme / Sub-programme: Corporate Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
	Quarterly reports submitted to DPME	Number of quarterly reports (to track organisational performance against APP targets) submitted to DPME as prescribed	New	New	3 quarterly approved reports submitted to the DPME as prescribed	**Achieved** 3 quarterly approved reports were submitted to the DPME as prescribed	None	None
	BMA Gender-based Violence and Femicide Plan implemented	Implementation of BMA Gender-based Violence and Femicide Plan as per approved implementation plan	New	New	Gender-based Violence and Femicide Plan implemented plan	**Achieved** The Gender-based Violence and Femicide implemented plan was implemented as per approved implementation plan.	None	None
	Approved Disaster Management Plan	Approved Disaster Management Plan	New	New	Disaster Management Plan approved	**Achieved** Disaster management plan was approved	None	None

Programme/activity/objective	2022/2023 Budget	2022/2023 Actual Expenditure	2022/2023 (Over)/ Under Expenditure	2023/2024 Budget	2023/2024 Actual Expenditure	2023/2024 (Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Salaries and wages	-	-	-	38 552	68 740	(30 188)
Social contributions	-	-	-	9 638	47 422	(37 784)
Administrative fees	-	-	-	36	123	(87)
Advertising	-	-	-	267	362	(95)
Minor assets	-	-	-	54	57	(3)
Catering: Internal activities	-	-	-	-	825	(825)
Communication (G&S)	-	-	-	444	15	429
Computer services	-	-	-	5 041	941	4 100
Consultants: Business and advisory services	-	-	-	464	1 058	(594)
Maintenance: Other	-	-	-	368	-	368
Science and technological services	-	-	-	116	-	116
Maintenance and repairs of other fixed structures	-	-	-	-	933	(933)
Contractors: Other	-	-	-	1 309	151	1 159
Agency and support/outsourced services	-	-	-	116	-	116
Entertainment	-	-	-	14	1	13
Fleet services (including government motor transport)	-	-	-	244	713	(469)
Housing	-	-	-	-	38	(38)
Inventory: Clothing material and accessories	-	-	-	724	1 068	(344)
Inventory: Farming supplies	-	-	-	23	-	23
Inventory: Fuel, oil and gas	-	-	-	105	-	105
Inventory: Medical supplies	-	-	-	23	56	(33)
Inventory: Other supplies	-	-	-	370	-	370
Consumable supplies	-	-	-	23	175	(152)
Consumables: Stationery, printing and office supplies	-	-	-	23	-	23
Operating leases	-	-	-	105	815	(710)
Property payments	-	-	-	119	-	119
Travel and subsistence	-	-	-	85	4 416	(4 330)
Training and development	-	-	-	671	368	303
Operating payments	-	-	-	239	13	227
Venues and facilities	-	-	-	-	157	(157)
Depreciation	-	-	-	11 772	1 804	9 968
Other: Losses and interest paid				-	162	(162)
Total	**-**	**-**	**-**	**70 944**	**130 410**	**(59 466)**

Strategy to overcome areas of underperformance – Programme 1: Corporate Services

Target	Performance	Strategy to overcome under-performance
% of valid invoices paid within 30 days	An average of 93.5% of valid invoices were paid within 30 days	The BMA has created its own account with the travel agency with effect from April 2024 therefore the BMA will have full control of the entire value chain i.e. receiving, certifying and payment of invoices within 30 days

3.2. Programme 2: BMA Operations

Deputy Commissioner
Major General David Chilembe (rtd)

Assistant Commissioner
Mr Murdok Ramathuba

Assistant Commissioner
Ms Lusane Fouche

Assistant Commissioner
Mr Balene Mkhabela

Programme 2	BMA Operations
Programme Purpose	The purpose of the BMA Operations programme is to execute the core business functions of the BMA. The Operations programme covers all core business functions of the BMA such as Border Control and Law Enforcement, Human and Goods Movement, as well as National Risk and Targeting Management.
Sub-Programme: National Targeting Centre	**Institutional Outcome:** Secure borders that protect national interests and enhance national security. The sub-programme NTC executes the core functions of risk management, business intelligence, exchange of information and targeting focusing on people movement, regulated goods movement and cross-border smuggling. The sub-programme has the following units, all performing the functions of risk management, business intelligence, exchange of information: *Information and Risk Analysis:* People Movement *Information and Risk Analysis:* Regulated Goods Movement *Information and Risk Analysis:* Cross Border Smuggling Through the three (3) units, the NTC, serves as the central risk management and intelligence hub for the border environment and assists in identifying and mitigating high-risk travellers, goods and conveyances passing through South Africa's borders.
Sub-Programme: Operations and Law Enforcement	**Institutional Outcome:** • Secure borders that protect national interests and enhance national security. • Strengthened coordination and cooperation amongst stakeholders within the border management environment. • Enhanced trade and socio-economic development The Law Enforcement activities span across all the 9 provinces in the Points of Entry and is divided in four regions, which are: *Central Region:* Free State and Gauteng *Eastern Region:* Mpumalanga and KwaZulu-Natal *Northern Region:* North West and Limpopo *Southern Regions:* Western Cape, Eastern Cape and Northern Cape The region's main purpose is to provide support and oversight in the Points of Entry and to ensure enhanced coordination, efficiency, and consistency in the execution of the BMA mandate.

Programme 2	BMA Operations
Sub-Programme: Specialised Functions	**Institutional Outcome:** • Secure borders that protect national interests and enhance national security. • Strengthened coordination and cooperation amongst stakeholders within the border management environment. • Enhanced trade and socio-economic development. **The purpose of the Specialised Functions sub-programme is:** 1. To develop border law enforcement norms and standards. 2. To provide specialist technical expertise and advice relating to the application of people movement, international trade, customs and excise, goods movement, plant and animal products related obligations and agreements within the Border Law Enforcement Areas and Ports of Entry. 3. To monitor compliance to border law enforcement norms and standards. **The sub-programme has the following units:** *Agricultural Specialised Functions:* The purpose of this function is to ensure compliance with agricultural legislations, risk management of agricultural products and ensure that animal quarantine and inspection services are conducted in line with local and international laws and standards. *Environment Specialised Functions:* To maintain the national safety, security and environmental protection regulations that govern the operations of the BMA ports of entry *Health Specialised Functions:* To protect public health by applying port health controls on imports in accordance with relevant statutory provisions, rules and international trading standards. *Immigration Specialised Functions:* To exercise intelligence-led risk driven command and control Border Law Enforcement functions and frontline operations within a port of entry at a tactical level *Monitoring and Compliance unit:* To develop border law enforcement norms and standards. To also provide specialist technical expertise and advice relating to the application of human movement, international trade, customs and excise, goods movement, plant and animal products related obligations and agreements within the Border Law Enforcement Areas and ports of entry. Lastly to monitor compliance to border law enforcement norms and standards.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 2: BMA Operations had a total of ten (10) planned targets for the financial year. Out of the ten (10) planned targets, five (5) were achieved. The achievement of the five targets has contributed to the goal of securing South African borders to protect national interests and enhance national security, the enhancement of trade and socio-economic development, as well as the strengthening of coordination and cooperation amongst stakeholders within the border management environment. The targets that were not achieved were as a result of various dependencies beyond the control of the BMA such as the need for the Kingdom of eSwatini, Mozambique and the Manguzi Traditional Leadership to sign agreements to establish Community Crossing Points where a need had been identified. Also, the BMA is busy with the redevelopment of six (6) priority land ports of entry as part of a public-private partnership, a project that has proven to have inherent complexities that have contributed to the non-achievement of the target.

National Targeting Centre

The National Targeting Centre was established and implemented during the financial year under review. The implementation of the Centre is guided by its National Operational Compliance Risk Management Framework and national focus areas, This was achieved through the appointment of the CO: National Targeting Centre, the Executive Manager: Information and Risk Analysis (People Movement) and the deployment of staff. The NTC were physically established in the BMA Head Office. The NTC's core functions will enable the BMA to attain a risk-based approach to intelligence-led border management supporting the BMA strategic outcome of secure borders that protect national interests and enhance national security.

Law Enforcement and Operations

The BMA as an authority is empowered by its founding legislation is to operate in the Points of Entry and within a 10km radius of the Law Enforcement area to protect the country against illegal activities in the borderline and Points of Entry. This is the reason that an evaluation was carried out to identify vulnerable segments in the borderline. There are currently ten (10) such segments along the 4 400km borderline. The vulnerable segments have been identified on the northern border between South Africa and Zimbabwe; the eastern border with both eSwatini and Mozambique and the central border with Lesotho. The evaluation and identifying of vulnerable segments and or hotpots in borderline ensured deployments of resources and intensified interventions where it is most needed and had the most impact i.e. the Western borders with Botswana and Namibia were entities and the resources were then deployed accordingly.

The Law Enforcement unit has planned and executed numerous operations targeted at preventing and disrupting illegal activities in the Points of Entry and the Law Enforcements area. The planned operations with other security government entities included taxi ranks, illegal crossings identified, and other areas identified as hotspots led to many successes, which have been reported on.

The unit has planned and led most border management operations during peak periods leading to success in detection of illegal persons, smuggling of illicit goods and criminal activities.

Specialised Functions

The process of engaging stakeholders and community leaders on the establishment of community crossing points where communities residing along the borderlines are believed to have been divided by demarcation of borders between South Africa and neighbouring countries was initiated. Several physical and virtual meetings were held with relevant District and Local Municipalities, Traditional Leaders and Councils as well as the neighbouring countries of Eswatini and Mozambique, and consensus was reached that a need for assessment exists. Agreements were generated to that effect and signed from the South African BMA Commissioner, both countries were considering the drafts by end of the financial year, hoping to sign in the 2024/25 financial year, after which, assessments to establish CCPs will commence and if approved, border guards would be deployed in such crossing points.

This will be a relief for the communities affected across the borderlines. The engagements in this matter have already started impacting on the government strategy of making communities safer as they, together with the law enforcement agencies in the area, vigilantly watch criminal activities in the area.

Seven thousand, seven hundred and seventy-three (7 773) illegal travellers detected at Ports of Entry were all processed for deportation. This shows BMA's commitment to securing South Africa's borders by ensuring that all detected illegal travellers are processed for deportation, and not allowed into the country. It is however acknowledged that some people may have illegally entered the country through some parts of the border lines where, at the time of their passing there were no deployments at those points. Detecting and deporting these individuals contributes towards fighting corruption and support economic development as most of these illegal immigrants contribute towards illegal and illicit trading as well as promoting corruption, leading to them gaining fraudulent documentation and other criminal activities.

The BMA set itself an annual target of 30 Ports of Entry rendering port health services assessed for compliance with International Health Regulations (IHR2005) and National Environmental Health Norms and Standards. The BMA achieved that target, of all PoE assessed, 30 were found to be compliant following improvements of their systems and collaboration with relevant stakeholders. Compliant Ports of Entry are in a good position to contribute towards building a better life and to protect the country against various imported communicable diseases which in turn impact in the health of the people, and in turn, negatively affect economic development as we have seen with COVID-19.

With regard to compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the BMA planned to endorse all CITES consignments pre-booked with the BMA. To that effect, a total of five thousand five hundred and sixty-one (5 561) pre-booked CITES consignments that went through PoE were endorsed. This contributed towards preventing corruption due to illegal trading with CITES products and impacting on economic development.

The BMA has, in line with the provision of the BMA that provided the development of Implementation Protocols, planned to have monitoring meetings with relevant stakeholders to ensure and monitor implementation of these protocols. To that effect, the BMA convened, conducted and held monitoring meetings on a quarterly basis with SARS, SAPS and SANDF and strengthened collaboration with the stakeholders for improved Border Management.

The BMA has had formal engagements with the Community leaders, local Municipalities, other border stakeholders and the Mozambique officials with regards to the establishment of a CCP in Manguzi. An agreement between the BMA and Manguzi Community was drafted as well as an agreement between the BMA and Manguzi Community following the several discussions that resolved that an assessment needed to be done to determine if CCPs need to be established in that area. The agreements were signed by the BMA Commissioner and the Municipal Manager representing local government, the final signatures for the assessments to start are expected to be done in the 2024/2025 financial year. The engagements in this matter have already started impacting on the government strategy of making communities safer as they, together with the law enforcement agencies in the area vigilantly watch criminal activities in the area. The deployment of border guards once CCPs come into effect will contribute towards the strategic priority of job creation.

Programme / Sub-programme: Operations								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
2. Secure borders that protect national interests and enhance national security	National Targeting Centre (NTC) established and implemented	NTC established	New	New	NTC established as per proposed operating model (business case)	**Achieved** The NTC was established as per proposed operating model	None	None
	BMA rolled out at selected designated segments of the land border law enforcement area and community crossing points (CCPs).	Number of land border law enforcement area segments with Border Guards.	New	New	BMA rolled out in phases along additional 2 segments of the land border law enforcement area.	**Achieved** The BMA was rolled out to the RSA/ Botswana and RSA/Namibia segments.	None	None
	BMA rolled out at selected designated segments of the land border law enforcement area and community crossing points (CCPs).	Number of additional CCPs established	New	New	BMA rolled out to one (1) additional CCP.	**Not Achieved** 0 (Zero) additional CCP with BMA rolled out	1	The BMA drafted an agreement to establish a CCP between South Africa and Eswatini along the Mbuzini area. The agreement is yet to be signed by both countries.

Programme / Sub-programme: Operations								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
	Effective law enforcement at PoEs and within the border law enforcement area	Percentage of detected illegitimate persons at the PoE processed for deportation per year	New	New	100% of detected illegitimate persons at PoE processed for deportation	**Achieved** 100% (7 773) detected Illegitimate persons at PoE were processed for deportation	None	None
	PoE services compliant with National Environmental Health Norms and Standards, and International Health Regulations (2005).	Number of PoEs rendering port health services in compliance with International Health Regulations (2005) and National Environmental Health Norms and Standards (incremental approach)	New	New	30	**Achieved** 30	None	None

Programme / Sub-programme: Operations								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
3. Enhanced trade and socio-economic development	Legitimate importation and exportation of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) goods in and out of the country through PoE.	Percentage of pre-booked CITES consignments that go through the PoE, endorsed	New	100% of prebooked CITES consignments that go through the PoE, endorsed	100% of prebooked CITES consignments that go through the PoE, endorsed	**Achieved** 100% (5 561) of prebooked CITES consignments that go through the PoE, endorsed	None	None
	Facilities at land Ports of Entry audited.	Number of facilities at land PoE audited for transfer to BMA.	New	New	Facilities at 22 identified PoE audited for transfer to the BMA.	**Not Achieved** 0 (Zero facilities were audited)	22	The audit of the 22 facilities did not take place in the 2023/24 FY because the DHA had already conducted the audit in the 2022/23 FY.
	Six priority land ports of entry redeveloped as part of a public-private partnership (PPP)	Status of construction for the redevelopment of the six (6) land PoE.	New	New	Bid adjudication for selection of the preferred bidders concluded	**Not Achieved** No bid adjudication was done or concluded	N/A	The closing date for bidding was extended, thus delaying the adjudication process.

Programme / Sub-programme: Operations								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
4. Strengthened coordination and cooperation amongst stakeholders within the border management environment	Implementation protocols with SANDF, SAPS and SARS realised	Number of signed implementation protocols with SAPS, SARS, and SANDF monitored for implementation	New	New	3 signed implementation protocols with SAPS, SARS and SANDF monitored for implementation	**Not Achieved** 2 signed implementation protocols with SAPS and SARS were monitored for implementation	1	The SANDF implementation protocol expired at the end of March 2023, and could not be monitored for implementation.
	Cooperative and coordinated partnerships and bilateral agreements with other organs of state and border communities	Percentage of cooperation and coordination with other organs of state and border communities per year	New	New	25% cooperation and coordination with other organs of state and border communities (2 agreements concluded)	**Not Achieved** 0 (Zero) agreements concluded)	25%	The BMA drafted a MOU for cooperation with Umhlabuyalingana, Manguzi and SAPS. The MOU is yet to be signed by all stakeholders for it to take effect.

Strategy to overcome areas of under performance

Target	Performance	Strategy to overcome under-performance
BMA rolled out to one (1) additional CCP.	The BMA drafted an agreement to establish a CCP between South Africa and Eswatini along the Mbuzini area. The agreement is yet to be signed by both countries.	Engagements will be escalated to ensure that the required endorsements are received.
Facilities at 22 identified PoE audited for transfer to the BMA.	The audit of the 22 facilities did not take place in the 2023/24 FY because the DHA had already conducted the audit in the 2022/23 FY.	Audit has already been conducted during the 2022/23 FY.
Bid adjudication for selection of the preferred Bidders concluded.	RFP was published in September 2023, closing in March 2024.	Project timelines are going to be revised to cater for all eventualities.
3 signed implementation protocols with SAPS, SARS and SANDF monitored for implementation.	2 signed implementation protocols with SAPS and SARS were monitored for implementation.	A draft implementation protocol has been submitted to SANDF for comments and approval. BMA is awaiting SANDF signature.
25% cooperation and coordination with other organs of state and border communities.	The BMA drafted a MOU for cooperation with Umhlabuyalingana, Manguzi and SAPS. The MOU is yet to be signed by all stakeholders for it to take effect.	Engagements will be escalated to ensure that the required endorsements are received.

	2022/2023			2023/2024		
Programme/activity/ objective	**Budget**	**Actual Expenditure**	**(Over)/ Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/ Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Salaries and wages	-	-	-	732 480	618 658	113 821
Social contributions	-	-	-	183 120	426 797	(243 677)
Administrative fees	-	-	-	9 639	2 337	7 302
Advertising	-	-	-	6 883	6 875	8
Minor assets	-	-	-	1 025	1 080	(56)
Catering: Internal activities	-	-	-	-	15 679	(15 679)
Communication (G&S)	-	-	-	6 883	278	6 605
Computer services	-	-	-	62 225	17 874	44 351
Consultants: Business and advisory services	-	-	-	38 430	20 101	18 329
Other	-	-	-	16 054	-	16 054
Science and technological services	-	-	-	1 400	-	1 400
Maintenance and repairs of other fixed structures	-	-	-	-	17 719	(17 719)
Other	-	-	-	33 128	2 861	30 267
Agency and support/ outsourced services	-	-	-	1 400	-	1 400
Entertainment	-	-	-	615	13	602
Fleet services (including government motor transport)	-	-	-	2 941	13 547	(10 607)
Housing	-	-	-	-	718	(718)
Inventory: Clothing material and accessories	-	-	-	40 742	20 296	20 445
Inventory: Farming supplies	-	-	-	1 025	-	1 025
Inventory: Fuel, oil and gas	-	-	-	1 260	-	1 260
Inventory: Medical supplies	-	-	-	1 025	1 067	(43)
Inventory: Other supplies	-	-	-	9 939	-	9 939
Consumable supplies	-	-	-	1 025	3 317	(2 292)
Consumables: Stationery, printing and office supplies	-	-	-	1 025	-	1 025
Operating leases	-	-	-	4 587	15 486	(10 899)
Property payments	-	-	-	5 257	-	5 257
Travel and subsistence	-	-	-	85 483	83 899	1 585
Training and development	-	-	-	15 760	6 993	8 767
Operating payments	-	-	-	6 933	240	6 693
Venues and facilities	-	-	-	-	2 979	(2 979)
Depreciation	-	-	-	-	16 240	(16 240)
Other: Losses and interest paid	-	-	-	-	3 082	(3 082)
Total	**-**	**-**	**-**	**1 270 281**	**1 298 138**	**(27 856)**

4. REVENUE COLLECTION

	2022/2023			2023/2024		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R	R	R	R	R	R
Service revenue	-	-	-	-	53 073 343	-
Unconditional grant					150 000 000	
Government grant					1 341 225 000	
Penalties and Fines (PoE fines)	-	-	-	-	37 575 000	-
Total	-	**-**	**-**	**-**	**1 581 873 343**	**-**

5. CAPITAL INVESTMENT

BMA invested R44.0 million for the period under review, mainly related to motor vehicles required for patrolling the border law enforcement area. The capital investment was mostly funded through the CARA funding.

PART C
GOVERNANCE

AUDIT AND RISK COMMITTEE

ARC Committee Chairperson
Mr Luyanda Mangquku

ARC Committee Member
Mr Ameen Amod

ARC Committee Member
Mr Protas Phili

ARC Committee Member
Mr Suren Maharaj

HUMAN CAPITAL AND REMUNERATION COMMITTEE

HCREMC Committee Chairperson
Ms Nalini Maharaj

HCREMC Committee Member
Dr Jonty Tshipa

HCREMC Committee Member
Mr Sindile Faku

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEE MEETINGS

Report	Date
BMA 2023/24 Quarter 1 performance report	31 July 2023
BMA 2023/24 Quarter 2 performance report	19 October 2023
BMA 2023/24 Quarter 3 performance report	26 January 2024
BMA draft 2024/25 APP	25 January 2024

3. RISK MANAGEMENT

In the 2023/24 fiscal year, the Border Management Authority (BMA) developed a risk management strategy to promote the highest risk maturity levels and ensure that risk management activities are planned in a manner that sets the desired tone.

The Risk Management Unit is responsible for facilitating the process of risk identification, review, and monitoring of risk by using adopted policy and strategy. This process involves performing risk identification and assessment at both strategic and operational levels. The outputs of this process are the BMA strategic and operational risk registers, and mitigation strategies that are monitored quarterly.

The Audit and Risk Committee (ARC) is responsible for providing the Accounting Officer assurance by examining the Risk and Ethics Management policies, systems, and processes adopted, and the mitigation of associated risks. The ARC is chaired by an independent and non-executive member who is also a standing member of the Audit and Risk Committee (ARC). The ARC provides an independent opinion regarding the state of Risk Management.

The BMA has also an approved Fraud Prevention Plan and Fraud Prevention Policy providing guidelines in detecting, preventing and reporting fraudulent activities within the BMA and across the 72 Ports of Entry in the country. The aim of the policy and plan is to create a culture within the BMA where all officials and stakeholders continuously behave ethically in their dealings with or on behalf of the Authority.

4. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit:

- The BMA Internal Audit Function is governed by the Public Finance Management Act (PFMA), Act No. 1 of 1999 as amended and its Treasury Regulations, as amended. The purposes of the Internal Audit Function are to provide independent, objective assurance and consulting services, within BMA, designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes,
- The activities and objectives of the Internal Audit Function are detailed in its Charter; approved by the Audit Committee on 26 October 2023. In summary according to the Charter; the activities of the Internal Audit function are:

- After consideration of the Organisations' strategic risks and status of the control environment, prepare a rolling three-year internal audit plan and flexible annual operational plan;
- Implement the annual internal audit plan, as approved, including, any special tasks or projects requested by management and the Audit and Risk Committee; and
- Perform consulting services, beyond internal auditing's assurance services, to assist management in meeting the organisation`s objectives.

The following audits were conducted in the 23/24 financial year:

- *Core function audits:* Port of Entry compliance; Biometrics Movement Control System; Dual Usage of EMCS & BMCS Systems.
- *Information Technology Audits:* IT Governance.
- *Planning Governance, Compliance, Monitoring and Evaluation Audits: audits:* Review Performance of Shared Services; Strategic Planning and Budgeting; AOPI.
- *Finance and SCM Related audits:* Uniform; Ammunition Storage and Security of Arsenals; Telephone and Cell Phone Management; Procurement of Goods and Services; Fleet and Transport Management; Asset Management (100% validation); Quarterly Review of Financial Statements; Subsistence and Travelling Claims.
- *Human Resources Management and Development:* Payroll Management; Overtime Management; Harmonisation of employee benefit; Audit of employee Transfer.
- *Fraud Prevention and Ethics:* Vetting and Security Clearance.

5. AUDIT COMMITTEE REPORT

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

Audit & Risk Committee Responsibility

The Audit and Risk Committee (ARC) reports that it has complied with its responsibilities arising from Section 51 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 27.1. The ARC also reports that it has adopted appropriate formal Terms of Reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

Key Objectives and Responsibilities of the Audit and Risk Committee

According to the Charter, the ARC:

- Reviewed the effectiveness of the internal control system
- Reviewed the effectiveness of internal audit, including risk areas of the entity's operations to be covered in the scope of audits
- Reviewed the adequacy, reliability and accuracy of financial information provided to management and other users of such information
- Reviewed accounting and auditing concerns identified as a result of internal and external audits
- Reviewed the entity's compliance with legal and regulatory provisions
- Oversaw activities of the Internal Audit Function, including its annual work programme, coordination with the external auditors, the responses of management to specific recommendations, and where relevant, the independence and objectivity of the external auditors, and
- Reviewed the adequacy and effectiveness of Information Communications and Technology Governance.

Attendance of Audit and Risk Committee Meetings

ARC members met seven times during 2023/2024 financial year, four meetings in line with the approved schedule of meetings and three being special meetings.

Below is a summary of ARC Members attendance and qualifications:

ARC Member	Qualifications	Date of Appointment	Number of Meetings Attended
Mr LM Mangquku Chairperson (external)	Honours Bachelor in Accounting Science, Honours Bachelor in Commerce (Accounting), Advanced Company Law I&II; Master of Business Leadership and Chartered Accountant (South Africa) – 2004	2023/01/23	7/7
Mr A Amod Member (external)	BCom, MBA, Chartered Director, Certified Internal Auditor (CIA)-2012, Certified Risk Management Assurer (CRMA), and Auding Professional Auditor (CGAP)	2023/01/23	7/7
Mr S Maharaj Member (external)	Honours Bachelor of Accounting Science, Chartered Governance Finance Officer, and Chartered Accountant (South Africa) – 1998.	2023/01/23	7/7
Mr PT Phili Member (external)	Bachelor of Commerce, Postgraduate Diploma in Accountancy, Master of Commerce and CA (SA)-2006	2023/01/23	7/7

The Effectiveness of Internal Control

In line with the PFMA, Internal Audit provided the Audit & Risk Committee and Management with assurance that internal controls are appropriate and effective. This was achieved by evaluating internal controls to determine their adequacy, effectiveness and efficiency, and by making recommendations for improvement which management has a responsibility to implement.

Our review of the findings from the work of Internal Audit, which was based on the risk assessment conducted in the entity revealed various weaknesses which were then raised with Management.

Internal Auditors reported numerous deficiencies in the system of internal control in the entity and based on their reports, the Audit & Risk Committee is of the opinion that the internal control system was not adequate and effective throughout the year.

During the year, Internal Audit completed only 10 of the 20 planned audits due to capacity challenges which were later addressed through an outsource arrangement of the Internal Audit function with the assistance of the Department of Home Affairs and through the filling of the Chief Audit Executive position during the third quarter.

The following were some of the areas of concern:

- Lack of proper fencing within the 10 km radius of the Border Management Area
- Lack of adequate backup power system
- Non-compliance with the standard operating procedure when processing the refusal of admission of illegal foreigners
- Lack of policies and procedure manuals relating to the management of ammunition and Firearms
- Lack of inventory management system (Re-Order Point System)
- Assets not recorded in the Entity's Assets Register
- Target description not in line with SMART principles for Programme 2
- Employee files without employment contracts
- Monthly payroll reconciliations not conducted
- Overtime management policy and procedure not in place

Despite the late capacitation of the Internal Audit Function, we are of the view that Internal Audit operated objectively and independently.

In-Year Management Monthly and /Quarterly Report

The public entity submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We reviewed the Annual Financial Statements prepared by the public entity, including:

- Discussing the audited annual financial statements to be included in the annual report
- Considering the Auditor General's Management Report and Management responses thereto
- Raising with management whether there were any changes to accounting policies and practices, and considered whether such were consistently and appropriately applied;
- Reviewing the entity's compliance with legal and regulatory provisions
- Reviewing the information on predetermined objectives to be included in the annual report

- Reviewing and considering significant adjustments resulting from the audit
- Requesting quality and timely submission of financial information to the Audit and Risk Committee for oversight purposes during the year, e.g. Interim Financial Statements, but management failed in this regard, including failing to submit the Annual Financial Statements by the 31st of May 2024.

Auditor's Report

We reviewed the public entity's implementation plan for audit issues raised in the prior year when the entity was still a Programme of the Department of Home Affairs, and we are satisfied that the matters were adequately pursued and followed up.

The Audit Committee concurs and accepts the conclusions of the external auditor 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.

Luyanda M Mangquku CA(SA)

Chairperson of the Audit & Risk Committee

Border Management Authority

Date: 24 October, 2024

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Authority has a compliance checklist of all relevant legislation and regulations and monitors it on monthly and quarterly basis and reports to the Audit and Risk Committee on the status thereof.

7. FRAUD AND CORRUPTION

The BMA has an approved Fraud Prevention Plan and Fraud Prevention Policy providing guidelines in detecting, preventing and reporting fraudulent activities within the BMA and across the 72 Ports of Entry in the country. The aim of the policy and plan is to create a culture within the BMA where all officials and stakeholders continuously behave ethically in their dealings with or on behalf of the Authority.

The BMA continues to encourage officials and stakeholders to report fraud, corruption and any form of malfeasance using the Public Service Commission hotline number 0800 701 701 to ensure confidentiality. During the 2023/2024 financial year, the BMA used the Department of Home Affairs Counter Corruption Unit to assist with investigations of reported fraud and corruption cases. All cases reported through the hotline were investigated as outlined in the Fraud Prevention Policy. Disclosure of financial interests were conducted by Senior Managers of the BMA as required by the Public Service Regulations of 2016.

8. MINIMISING CONFLICT OF INTEREST

The implementation of the Public Administration Management Act (PAMA), Public Service Act (PSA) and Public Service Regulations (PSR), and Public Finance Management Act (PFM) are implemented in the Entity. With PAMA stipulating that public servants are prohibited to conduct business with any Organ of State, awareness on ethics, fraud and corruption are conducted in the Entity to express issues of conflict of interest.

There is 100% completion of Financial Disclosures by Execute Members of the Entity. The Chief Risk Officer issued a circular to encourage other categories of officials that need to complete the financial disclosure. During the procurement processes, service providers were requested to complete the declaration of interest forms. In addition, the entity relies on the Central Supplier Database (CSD) to verify if Directors are Public Servants. Cases of employees or service providers identified with conflicted interest will be reported for investigation and corrective actions will be applied. If the entity received reports of people that have been identified to have been conducting business with state organs, these will be investigated for corrective actions to be implemented.

9. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Border Management Authority takes an active interest in ensuring compliance with The Occupational Health and Safety Act and The National Environmental Management Act and supporting regulations. Border Management Authority takes a proactive holistic approach in the interest of OHSE in all projects within the Border Management Authority.

Based on the above Mandate the Entity critically evaluates and undertakes compliance comparison of the Entity's projects in relation to governing legislation such as the Occupational Health and Safety Act 85 of 1993 as amended and the Construction Regulation 2014.

BMA is dedicated in ensuring that employees within its walls have a safe and conducive environment to work in. Thus, a mandated OHS committee will be established as per Section 19 of the OHS Act to fulfil roles as stipulated in Section 20, which clearly defined and offered guidance on the functions of these appointed members. The establishment of this committee will assure bottom-up flow of pertinent information and created a solid foundation for communication.

The Entity will regularly conduct walk-through risk assessments inspections through internal Compliance Officers and appointed Occupational Health and Safety (OHS) representatives within our workplaces to strengthen and instil a culture of compliance with Health and Safety requirements. Where potential hazards are identified, recommendations will be put in place for implementation, while elevating the same in quarterly OHS Committee meetings for discussion and sharing to reduce the level of risk with the Entity holistically.

Entity Health and Safety detailed reports will also be presented and discussed at various entity structures. In terms of projects and contractual agreements with contractors, the Entity will take initiative in assuring service providers are mentored in OHSE to ensure compliance on sites.

Records of all incidents will be reported to the Entity together with categorised incidents as per legislation are reported to the executive manager facilities. Records are to be kept on-site for no less than a period of three (3) years in the form of Annexure One as per General Administrative Regulations.

In terms of non-compliant projects, the Entity will undertake audit requests monthly for officers to ascertain the state of the flagged projects due to non-compliance, noted within the reports, and verified. This is intended to evaluate the effectiveness of the OHS system protocols and controls instituted within BMA.

The Entity will continue to observe and adhere to prescribed COVID-19 health and safety protocols, Mpox etc. The Entity will continue to implement the practice of disinfecting of all affected workplaces. This is one of the strategies used to ensure business continuity within the Entity and continuous service delivery to our clients.

Section 8(1) of the OHSACT stipulates that the employer shall provide and maintain a working environment that is safe and without risk to the health of employees, whilst Section 9(1) stipulates that the employer shall ensure that the health and safety of persons other than employees are not affected by his activities. The Entity is committed in ensuring that all employees, visitors and contractors are provided with uncompromised dedication to OHSE.

10. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	BMA does not issue licenes or concessions or any other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	BMA have an approved Preferential procurement policy in line with PPPFA & PFMA which guides on implementation of preferential procurement specific goals
Determining qualification criteria for the sale of state-owned enterprises?	N/A	BMA did not have any sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	N/A	BMA did not enter into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	BMA did not award incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment.


62
ABNOR
80

PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Overview of HR matters at the public entity

The Border Management Authority planned to develop strategies, including the sourcing of additional funding from the National Treasury to fill vacant critical posts in 2023/2024. Although additional funding could not be obtained from the National Treasury, the BMA allocated an amount of R900 million to assist with the appointment of competent and skillful employees to be part of the operationalisation of the BMA. This allocation assisted with the appointment of 89 employees in the Authority of which 10 senior managers and 50 Maritime Border Guards, 16 Immigration Officers were also appointed. Over and above these appointments, a total of 400 Junior Border Guards were recruited and sent to training during the 2023/2024 financial year.

The Authority had also planned to continue with the placement of staff on the BMA organisational structure that was approved earlier in 2023/2024 financial year, but the process could not be concluded during the period under review due to some delays in the approval of the BMA Remuneration Framework by the National Treasury.

HR priorities for the year under review and the impact of these priorities

The Authority planned to expand the skills base, especially with regards to skilled and technical occupational levels, which includes specialised functions workers and critical positions in Finance ICT and HCM. To address this gap, the Authority increased the recruitment of Immigration Officers and other specialised function employees. The Authority aimed to reduce the overall turnover rate to 4% in 2023/2024. However, it stagnated at just over 6% owing the 43 terminations effected during the period under review, which suggests that new progressive measures should be implemented in 2024/25 to attain the 4% target. The Authority also planned to reduce the turnaround time to fill funded vacancies which could not be achieved due to interdependencies placed on other departments which the Agency relied on to finalise recruitment processes, and this will be corrected in 2024/25 through the implementation of the robust recruitment drive which will be put in place in order to fill all the positions by the end of December 2024. The BMA had no Training and Development plan in place during the period under review, however the process has been commenced to compiled with and implemented in the 2024/25 Training and Development Plan which will ensure that the BMA staff is skilled and reskilled to unleash their potential.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

The focus in 2023/2024 was to recruit more competent and skilful staff to strengthen both the core and support functions of the BMA. The Authority will therefore ensure that all competent and skilful corps are recruited and appointed. The staff complement of BMA stands at 2 138 as at end of March 2024, these include 89 new employees who were appointed during the period under review and the number of vacant posts stands at 131, which were all advertised. Some of these posts have been either shortlisted, re-advertised and/or interviewed for. 74 critical posts are at advanced stage and will be filled during the first and second quarters of the 2024/35 financial year while the rest of the posts including six (6) replacement posts will be filled later during the financial year. These include various posts of Immigration Officers and some Strategic, APP and Compliance posts (NTC, Finance, ICT, Corporate Affairs and Commissioner's Offices). Delays in the filling of posts were as a result of the PSC which were conducted. The BMA's vacancy rate stands at 6.1% as at 31 March, 2024 and the target is to reduce it to 3% by the end of the 2024/25 financial year.

Employee performance management framework

The Authority implemented the approved Department of Home Affairs' Performance Employee Performance Management and Development System Policy for employees on salary levels 1-12, and the Senior Management Service Handbook for employees on salary levels 13 and above. During the year under review the Authority embarked on progressive consultative processes to ensure an objective application of the policy for employees on salary levels 1-12. Emphasis was placed on staff development through on-the-job training, coaching, alternative staff utilisation etc. in order to enhance the performance of employees.

Section 16(1) of the BMA Act provides that *"notwithstanding the provisions of Section 4, officials subject to terms conditions of employment determined by the Minister (b)in accordance with any collective agreement conducted in the Public Service Coordinating Bargaining Council"*. One of the agreements is the PSCBC Resolution 3 of 2009, which makes provision for Grade Progression of officials between salaries level 1-12, subject to satisfactory performance. This implies that an official, after completion of a particular years (10,12,15 years) of service, progressed from one salary notch and/or grade to the next. Officials could only progress after he/she has been assessed and completed the assessment cycle (1 April – 31 March). The officials were then paid retrospective to the date he/she qualified. A total of 1 276 officials benefitted from the notch and/or grade progression for the 2022/23 performance cycle with an expenditure amount of R4 413 451,67 paid during the period under review. The number of qualifying officials for 2023/24 cycle will be determined after the performance assessment/ moderation processes have been concluded during 2024/2025 financial year.

The Performance Agreements for 2023/24 were received from 926 officials, and the reason for the slow progress was that the organised labour stopped the process, pending consultation with management. The parties resolved at the meeting of BMA NBF held in December 2023 to allow all outstanding officials to submit their performance contract by the end of the last quarter of 2023/2024 financial year. During the 4th quarter of 2023/2024 the BMA implemented SAGE 300 Performance module and was in the process of rolling out the training to all employees.

Employee wellness programmes

Since the Authority was still in the transition period, wellness cases received were referred to EHWP @ DHA, whilst the process to procure its own service provider was underway. At the beginning of the period under review, the BMA implemented the HR-benefit platform for employees in need of assistance. At the same time, the BMA continued to raise awareness on wellness matters in the workplace and provided assistance to those in need. The Border Management Authority requested permission to participate on the contract facilitated by the Department of Public Service and Administration for the appointment of Accredited Health Risk Managers for the purposes of the implementation of its policy and procedure on the incapacity leave and ill health retirement ("PILLIR") in the public service in line with the National Treasury Regulations. This process culminated in a signed contract between the BMA with the Health Risk Provider which is Pro Active Health Solutions. To-date, over 70 incapacity leave applications were received and processed to the appointed Accredited Health Risk Managers for assessment.

Policy development

Policies are rules and guidelines that the Authority uses to operate efficiently and avoid risks and inconsistencies. These help employees to understand what they should do in terms of their jobs or what they cannot do. Policies also serve as internal controls and maintain compliance. During the period under review, the Human Capital Management and Development drafted more than twenty-eight (28) policies and after robust consultation with the BMA National Bargaining Forum, submitted sixteen (16) policies to the HREMCO for recommendations before approval by the Commissioner.

Highlight achievements

- Appointment of Accredited Health Risk Managers for the purposes of the implementation of its policy and procedure on the incapacity leave and ill health retirement;
- During the period under review, the Authority continued with the programme to train 400 Junior Border Guards Trainees which were recruited and commenced in the second quarter and came to an end on 31 March 2024; and
- The BMA implemented the Automated Leave Management System on Sage 300, which would go live during the 4th Quarter of 2024.

Challenges faced by the public entity

Inadequate staff complement to cover all the shift operations. This has led to overtime worked during relief duty especially by Specialist functionaries i.e. Port Health, Environmental and Agricultural staff. During annual deployment of staff during the December/ January, and March/April period some Ports Entry operate 24-hours with inadequate human capacity and this is a serious cause for concern.

Future HR plans /goals

Training and Development remains a priority, therefore the Authority will ensure that skills development programmes are implemented as planned in the Workplace Skills Plan. Although the BMA managed to recruit 400 youth with the BMA Junior Border Guard Training Programme, 395 have successfully completed the training in 2023/24. A further recruitment drive through this programme will be embarked on during the course of the 2024/25 financial year. This is to ensure that more skills become available in the labour market to increase our capacity of our human resources to be deployed to the country's border line. The Authority planned to improve the employee performance management and development system through the implementation of the automated performance management system to ensure the objective application thereof, which include, but is not limited to, submission of performance agreements, but also ensures mid-term reviews are conducted online across the Authority including in all the regions and ensure that policy matters are also advocated. This will increase the understanding of performance management and will result in a more objective application in the year 2024/2025.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

2.1 Personnel-related expenditure

Personnel Cost by programme/ activity/ objective

Programme/activity/ objective	Total Expenditure for the entity (R)	Personnel Expenditure (R)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R)
Programme 1	130 410 054	116 161 689	89%	39	2 978 505
Programme 2	1 298 138 534	1 045 455 200	81%	2 099	498 073
TOTAL	**1 428 548 588**	**1 161 616 889**	**81%**	**2 138**	**543 319**

Personnel Cost by salary band

Level	Personnel Expenditure (R)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R)
Top Management	8 876 643	0.8%	3	2 958 881
Senior Management	15 662 182	1.3%	13	1 204 783
Professional qualified	38 929 472	3.4%	35	1 112 271
Skilled	93 695 888	8.1%	115	814 747
Semi-skilled	682 960 344	58.7%	608	1 123 290
Unskilled	321 492 359	27.7%	1 364	235 698
TOTAL	**1 161 616 889**	**100.0%**	**2 138**	**543 319**

Performance Rewards

Programme//activity/ objective	Performance rewards	Personnel Expenditure (R)	% of performance rewards to total personnel cost
Top Management	-	8 876 643	-
Senior Management	-	15 662 182	-
Professional qualified	-	38 929 472	-
Skilled	-	93 695 888	-
Semi-skilled	-	682 960 344	-
Unskilled	-	321 492 359	-
TOTAL	**-**	**1 161 616 889**	**-**

Training Costs

Programme//activity/ objective	Personnel Expenditure (R)	Training Expenditure (R)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee (R)
Programme 1	116 161 689	1 182 150	1.0%	16	73 884
Programme 2	1 045 455 200	22 460 859	2.1%	400	56 152
TOTAL	**1 161 616 889**	**23 643 000**	**2.0%**	**416**	**56 834**

No specific or generic training interventions were arranged for the staff in general due to most of the staff development budget being spent on the training of the Junior Border Guards trainees.

Employment and vacancies

Programme/activity/ objective	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Programme 1	92	39	53	74.6%
Programme 2	2 177	2 099	78	3.7%
TOTAL	**2 269**	**2 138**	**131**	**6.1 %**

Programme/activity/ objective	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	3	3	0	0%
Senior Management	30	13	17	57%
Professional qualified	72	35	37	51%
Skilled	123	115	8	6.5%
Semi-skilled	677	608	69	10%
Unskilled	1 384	1 364	0	0%
TOTAL	**2 269**	**2 138**	**131**	**5.8%**

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	-	-	3
Senior Management	3	10	-	13
Professional qualified	29	6	0	35
Skilled	119	1	5	115
Semi-skilled	574	71	37	608
Unskilled	1 364	1	1	1 364
Total	**2 092**	**89**	**43**	**2 138**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	6	14%
Resignation	20	46%
Dismissal	6	14%
Retirement	6	14%
Ill health	0	0%
Expiry of contract	0	0%
Other	5	12%
Total	**43**	**100%**

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	6
TOTAL	**6**

There were thirty-eight (38) misconduct cases as at the end of March 2024. Four (4) have been finalised and officials dismissed, and two (2) are awaiting the hearing outcomes from the hearing chairpersons. Sixteen (16) cases have been scheduled for disciplinary hearings. Investigations have been finalised for sixteen (16) cases and will be allocated to the law firms for formulation of charges, initiations and chairing of disciplinary hearings.

Disputes

There is still no progress on the last reported disputes cases. Seven (7) dispute cases at different stages that is, three (3) have been conciliated, four (4) proceeded to arbitration, one (1) at GPSSBC conciliation, and one (1) is still at Labour Court.

Grievances

During the period under review there were eight (8) official grievances received and remained unresolved. Some were referred to the GPSSBC.

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	-	0	-	0	-	0	-
Senior Management	3	-	0	-	0	-	0	-
Professional qualified	19	-	2	-	1	-	3	-
Skilled	297	-	19	-	9	-	14	-
Semi-skilled	601	-	33	-	3	-	7	-
Unskilled	116	-	3	-	0	-	0	-
TOTAL	**1 038**	**-**	**57**	**-**	**13**	**-**	**24**	**-**

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	-	0	-	0	-	0	-
Senior Management	1	-	0	-	0	-	1	-
Professional qualified	12	-	1	-	3	-	0	-
Skilled	363	-	20	-	6	-	8	-
Semi-skilled	532	-	29	-	4	-	7	-
Unskilled	34	-	4	-	0	-	0	-
TOTAL	**943**	**-**	**54**	**-**	**13**	**-**	**16**	**-**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	-	0	-
Senior Management	0	-	0	-
Professional qualified	0	-	0	-
Skilled	1	-	2	-
Semi-skilled	4	-	3	-
Unskilled	1	-	1	-
TOTAL	**6**	**-**	**6**	**-**

The BMA is an entity of the state, and given its size with regards to employees, it falls within the designated employers. The Employment Equity Act, Act 55 of 1998, is the guiding document behind the development of the BMA Employment Equity Policy, with the main focus on discrimination, both past and present. The BMA Employment Equity Policy will be the Authority's guiding tool to eliminate employment discrimination, ensuring redress as well as ensure the attainment of a representative workforce. During the period under review the Authority had not set any EE targets due to the unavailability of the BMA Employment Equity Policy.

PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R	R
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	10 213 526	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable[1]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**10 213 526**	**-**

Reconciling notes

Description	2023/2024	2022/2023
	R	R
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	10 213 526	-
Total	**10 213 526**	**-**

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

Description[2]	2023/2024	2022/2023
	R	R
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	10 213 526	-
Irregular expenditure under investigation	-	-
Total	**10 213 526**	**-**

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R	R
Irregular expenditure condoned	-	-
Total	**-**	**-**

d) Details of irregular expenditure removed (not condoned)

Description	2023/2024	2022/2023
	R	R
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

Transfer to receivables
Group similar items

e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R	R
Irregular expenditure recoverable	-	-
Total	**-**	**-**

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R	R
Irregular expenditure written off	-	-
Total	**-**	**-**

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
Total

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)[3]

Description	2023/2024[4]	2022/2023
	R	R
N/A	-	-
Total	**-**	**-**

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

None, first year of BMA.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R	R
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	702 650	-
Less: Fruitless and wasteful expenditure recoverable[5]	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**702 650**	**-**

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

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

5 Transfer to receivables

Reconciling notes

Description	2023/2024	2022/2023
	R	R
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	702 650	-
Total	**702 650**	**-**

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

Description[6]	2023/2024	2022/2023
	R	R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	702 650	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**702 650**	**-**

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R	R
Fruitless and wasteful expenditure recoverable	-	-
Total	**-**	**-**

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

Description	2023/2024	2022/2023
	R	R
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

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

None, first year of BMA.

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))[7]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R	R
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

6 Group similar items
7 Information related to material losses must also be disclosed in the annual financial statements.

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R	R
None	-	-
Total	**-**	**-**

c) Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R	R
None	-	-
Total	**-**	**-**

d) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R	R
None	-	-
Total	**-**	**-**

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R
Valid invoices received	2 711	245 642 668
Invoices paid **within** 30 days or agreed period	2 469	177 125 606
Invoices paid **after** 30 days or agreed period	149	9 216 103
Invoices older than 30 days or agreed period ***(unpaid and without dispute)***	55	11 615 323
Invoices older than 30 days or agreed period ***(unpaid and in dispute)***	-	-

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R
Procurement of the payroll service	Mondtes Holdings	Appointed JV put to terms due to poor payroll management and to allow sufficient time for the BMA to embark on an open bidding process	BMA-DEV02-2023	R 4 666 032
Procurement of the third-party interface payroll management services	Q LINK	Due to urgent intervention to stabilise the third-party payment challenges.	BMA-DEV03-2023	No Cost
Training of 400 Junior boarder guard trainees and the onboarding of 50 coast guards for a period of two hundred and five (205) days	Road Traffic Management Corporation (RTMC)	Due to the South African Police Service and the Department of correctional Services inability to accommodate the Border Guards as they have learners that are currently training	BMA-DEV04-2023	R 38 159 010
Provision of consulting support services for the operationalisation of the Border Management Authority (BMA)	Phulo Consulting Services, Kettle Consulting and Masetlaoka Information Technologies Joint Venture	To accommodate the deployment of the Microsoft 365 in order to enable the rollout of the emails to all the BMA service points; and the cloud engineering support to anchor the ERP system – most importantly, the payroll	DHA01-2022	R 48 418 004
The Lease of the temporary office accommodation for Border Management Authority (BMA) for the period of twelve (12) months	Government Communication Information System (GCIS)	BMA occupies the office accommodation it was allocated by the Department of Home Affairs when BMA was still a project and subsequently a branch within the Department, constituting nine offices and three small shared spaces. For productivity and efficiency purposes, BMA urgently requires a temporary office accommodation. The project to acquire permanent office accommodation has been initiated and it envisaged to take about a year to conclude.	N/A	R 11 875 331

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Medical evaluation of 400 Junior border guard trainees	OHS Care	BMA required the services of the medical practitioners to facilitate the medical evaluation of the 400 junior border guard trainees. Six (6) RFQs were issued out to the market with a closing date of the 16 November 2023 and only one bidder responded to the RFQ. As two (2) more quotations were required, another RFQ was issued to additional 25 suppliers on the 17th November 2023 and no quotes were received. In order for the training schedule to proceed as planned, BMA proceeded with the only one (1) quotation received.	N/A	R 999 999
Extension of Huawei Cloud Server Licence and Managed Services	Brainet Consulting	Phulo Consulting JV contracted Huawei through their partner Brainet Consulting to provide the cloud servers licences and cloud managed services to MBA. The contract term came to an end on the 31 March 2024. The services provided by Huawei through Brainet Consulting are still required by BMA, as the entity is not yet ready to host, manage, and support SAGE ERP System due to capacity constraints within the Entity.	H004L2403POH0008	R 5 829 084
Opposing one litigation matter by Association of Meat Importers and Exporters	Tenza Zondi Attorneys	BMA had to issue request for quotations through the limited bidding process and shortened period for quotes submission. The deviation from normal procurement process was to allow BMA to defend urgent court application brought by Association of Meat Exporters and Importers.	H400L2403POH0002	R 147 000
Total				**R110 094 460**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Procurement of the payroll service	Mondtes Holdings	Variation	BMA-DEV02-2023	R 4 666 032	R 70 380	R4 736 412
Provision of consulting support services for the operationalisation of the Border Management Authority (BMA)	Phulo Consulting Services, Kettle Consulting and Masetlaoka Information Technologies Joint Venture	Variation	DHA01-2022	R 48 418 004	R 7 262 700	R55 680 704
Total				**R 53 084 036**	**R 7 333 080**	**R60 417 116**

PART F

FINANCIAL INFORMATION

Report of the auditor-general to Parliament on Border Management Authority

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Border Management Authority (BMA) set out on pages 88 to 131, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary significant accounting policy information.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Border Management Authority as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act No.1 of 1999 (PFMA).

Basis for qualified opinion

Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence that payables from exchange transactions had been properly accounted for as the public entity did not have adequate controls and systems in place. This was due to poor record keeping, lack of adequate reconciliations and a lack of accounting documentation. I was unable to confirm payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to payables from exchange transactions stated at R114 million, as disclosed in note 9 to the financial statements.

Accruals

4. Leave accruals were not recognised as required by GRAP 25, Employee Benefits, due to inadequate controls and systems in place for the financial reporting. Consequently, leave accruals and employee related costs were overstated by R18 million.

5. In addition, I was unable to obtain sufficient appropriate audit evidence that other accruals had been properly accounted for as the public entity did not have adequate controls and systems in place. This was due to poor record keeping, lack of adequate reconciliations and a lack of accounting documentation. I was unable to confirm other accruals by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to other accruals stated at R64 million, as disclosed in note 10 to the financial statements.

General Expenses

6. I was unable to obtain sufficient appropriate audit evidence that general expenses had been properly accounted for as the public entity did not have adequate controls and systems in place. This was due to poor record keeping, lack of adequate reconciliations and a lack of accounting documentation. I was unable to confirm general expenses by alternative means. Consequently, I was unable to determine whether any adjustment were necessary to general expenses stated at R246 million, as disclosed in note 16 of the financial statements.

Transfer of functions between entities under common control

7. Transfer of functions between entities under common control were not recognised in accordance with GRAP 105, Transfer of functions for entities under common control. GRAP 105 requires public entities to provide disclosure of liabilities in the financial statement. The public entity did not have adequate controls and systems in place, due to poor record keeping and a lack of accounting documentation. I was unable to determine the full extent of the understatement of transfer of functions between entities under common control, as it was impracticable to do so.

Context for opinion

8. 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.

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

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

Responsibilities of the accounting authority for the financial statements

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

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

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

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

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 79, forms part of our auditor's report.

Report on the annual performance report

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

16. I selected the following material performance indicators related to BMA Operations presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - NTC established
    - Number of land border law enforcement area segments with border guards
    - Number of additional CCPs established
    - Percentage of detected illegitimate persons at the PoE processed for deportation per year
    - Number of PoEs rendering port health services in compliance with International Health Regulations (2005) and National Environmental Health Norms and Standards
    - Percentage of pre-booked CITES consignments that go through the PoE, endorsed
    - Number of facilities at land PoE audited for transfer to BMA
    - Status of construction for the redevelopment of the six (6) land Ports of entry.
    - Number of signed implementation protocols with SAPS, SARS, SANDF monitored for implementation
    - Percentage of cooperation and coordination with other organs of state and border communities per year.

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

18. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity'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 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.

19. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

20. The material findings on the reported performance information for the selected material indicators are as follows:

Various indicators

21. I could not determine the accuracy of various reported achievements, as the indicators were not well defined and I could not verify the methods and processes used to measure the achievement. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Reported achievement
Percentage of detected illegitimate persons at the PoE processed for deportation per year	100% of detected illegitimate persons at PoE processed for deportation	100% (7 773) detected Illegitimate persons at PoE were processed for deportation
Percentage of pre-booked CITES consignments that go through the PoE, endorsed.	100% of pre-booked CITES consignments that go through the PoE endorsed.	100% (5 561) of prebooked CITES consignments that go through the PoE were endorsed

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

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

24. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 38 to 41.

BMA Operations

Targets achieved: 50% *Budget spent: 99%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of additional CCPs established	BMA rolled out to one (1) additional CCP	0 (Zero) additional CCP with BMA rolled-out
Number of facilities at land PoE audited for transfer to BMA	Facilities at 22 identified PoE audited for transfer to the BMA.	0 (Zero facilities were audited)
Status of construction for the redevelopment of the six (6) land PoE.	Bid adjudication for selection of the preferred bidders concluded	No bid adjudication was done or concluded
Number of signed implementation protocols with SAPS, SARS, SANDF monitored for implementation	3 signed implementation protocols with SAPS, SARS and SANDF monitored for implementation	2 signed implementation protocols with SAPS and SARS were monitored for implementation
Percentage of cooperation and coordination with other organs of state and border communities per year	25% cooperation and coordination with other organs of state and border communities (2 agreements concluded)	0 (Zero) agreements concluded)

Material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for BMA Operations. Management did not correct all of the misstatements

26. and I reported material findings in this regard.

Report on compliance with legislation

27. 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 authority is responsible for the public entity's compliance with legislation.

28. 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.

29. 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 public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Annual financial statements and annual report

31. Financial statements were not submitted for auditing within the prescribed period after the end of financial year, as required by section 55(1)(c)(i) of the PFMA.

32. 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 55(1) (a) and (b) of the PFMA.

33. Material misstatement of non-current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in financial statements receiving a qualified opinion.

Revenue management

34. Effective and appropriate steps were not taken to collect all money due, as required by section PFMA 51(1) (b)(i) of the PFMA. Other information in the annual report.

Other information in the annual report

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

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

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

38. I did not receive the other information prior to the date of the auditor's reports. When I do receive and read the 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 in not corrected, I may have to retract this auditors report and re-issue an amended report as appropriate. However, if it is corrected this may not be necessary.

Internal control deficiencies

39. 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.

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

41. The accounting authority did not ensure that vacancies at executive management level were responded to as a matter requiring immediate intervention and this. The accounting authority did not in all instances implement effective human resources management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. These constitute as a significant root cause for the audit outcome.

42. The accounting authority and senior management did not exercise adequate oversight responsibility regarding financial reporting, performance reporting and compliance with laws and regulations and related internal controls, resulting in inadequate record keeping and material scope limitations on the audits.

43. The senior management of the public entity did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support the financial statements submitted for audit purposes.

44. The senior management did not adequately prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

45. The senior management did not implement adequate controls over daily and monthly processing and reconciling transactions which has resulted in the financial statements being materially misstated.

46. The senior management did not adequately review and monitor compliance with applicable laws and regulations. As a result, there was material non-compliance.

Auditor - General

Pretoria

08 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	PFMA 55(1)(c)(i)
	PFMA 55(1)(b)
	PFMA 55(1)(a)
	PFMA 51(1)(b)(i)
	PFMA 53(4)
	PFMA 51(1)(b)(ii)
	PFMA 57(b)
	PFMA 66(3)(c)
	PFMA 66(5)
	PFMA 51(1)(e)(iii)
	PFMA 38(1)(b)
	PFMA 45(b)
	PFMA 57(b)
Treasury Regulations	TR 31.1.2(c)
	TR 32.1.1(a)
	TR 32.1.1(b)
	TR 32.1.1(c)
	TR 31.2.5
	TR 31.2.7(a)
	TR 30.2.1
	TR 33.1.3
	TR 33.1.1
	TR 16A9.1(b)(ii)
	TR 16A9.1(e)
	Treasury reg 16A9.1(d)
	TR 16A9.1(f)
	Treasury reg 16A6.1
	Treasury reg.16A8.4

Legislation	Sections or regulations
	Treasury reg 16A3.2(a)
	Treasury reg 16A6.4
	Treasury reg 16A6.5
	Treasury reg 16A6.3(c)
	Treasury reg 16A6.2(a) & (b)
	Treasury reg 16A8.3 Treasury reg 16A8.4
	Treasury reg 16A3.2
Preferential Procurement (PPPF Act)	PPPFA 2(1)(a)
	PPPFA 2(1)(f) 2017 Preferential Procurement reg 6(8), 7(8), 10(1)&(2) & 11(1) 2022 Preferential Procurement reg 4(4)
	Preferential Procurement reg {2017} 5(1) & 5(3)
	Preferential Procurement reg 2017 5(6)
	Preferential Procurement reg 2017 5(7)
	Preferential Procurement reg {2017} 4(1) & 4(2)
	Preferential Procurement reg {2017} 9(1)
	2017 Preferential Procurement reg 8(2)
	2017 Preferential Procurement reg 8(5)
CIDB	CIDB Act 18(1)
	CIDB reg. 17; CIDB reg. 25(7A)
	CIDB reg. 17

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	The BMA was formally established as Schedule 3A Public Entity on 1 April 2023. This follows the President's assent of the BMA Act, 2020 in July 2020.
Nature of business and principal activities	The Border Management Authority (BMA) is established as a Section 3A public entity in accordance with the Public Finance Management Act (PFMA), 1999, charged with the responsibility of; Facilitating and managing the legitimate movement of persons within the border law enforcement area and at ports of entry; Facilitating and managing the legitimate movement of goods within the border law enforcement area and at ports of entry; and Co-operate and co-ordinate its border law enforcement function with other organ of state, border communities or any other persons. Section 4 (1) of the BMA Act, 2 of 2020, establishes BMA as a Public entity outside Public Service and assigned it as an armed service, in terms of Section 199(3) of the Constitution.
Accounting Authority	Dr NM Masiapato
Registered office	1035 Francis Baard Street Tshedimosetso House Pretoria Gauteng 0001
Postal address	Private Bag X745 Tshedimosetso House Pretoria Gauteng 0001
Bankers	Absa Bank Limited
Auditors	The Auditor General of South Africa
Preparer	The annual financial statements were independently compiled by: NsukuzaXhoko Chartered Accountants

Index

Abbreviations used:

GEHS	Government Employee Housing Scheme
GPSSBC	General Public Service Sector Bargaining Council
GRAP	Generally Recognised Accounting Practice
DoH	Department of Health
NT	National Treasury
PSCBC	Public Service Co-Ordinating Bargaining Council
PFMA	Public Finance Management Act
BMA	Border Management Authority
SARS	South Africa Revenue Service
DALRRD	Department of Agriculture Land Reform and Rural Development
DHA	Department of Home Affairs

Accounting Authority's responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present 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 annual 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 annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

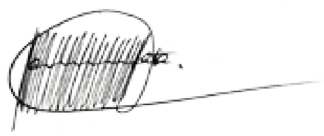
The Accounting Authority acknowledges that he is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the Accounting Authority 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 entity 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 Accounting Authority is 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Authority has reviewed the entity's cash flow forecast for the year ended 31 March 2025 and, in the light of this review and the current financial position, he is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the entity for continued funding of operations. The annual 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.

The annual financial statements set out on page 88 to 131, which have been prepared on the going concern basis, were approved by the Accounting Authority and were signed on its behalf by:



Accounting Authority: Dr NM Masiapato

Commissioner

Accounting Authority's Report

The Accounting Authority submits his report for the year ended 31 March 2024.

1. Incorporation

The entity was incorporated on 01 April 2023, under Border Management Authority Act 1 of 2020.

2. Review of activities

Main business and operations

The Authority is mandated to perform these functions with a view to:

. secure the borders of the Republic and protecting national interest;

. implement integrated and coordinated border management in accordance with the Constitution, international and domestic law in order to:

- Contribute to the socio-economic development of the Republic;
- Ensure effective and efficient border law enforcement functions at the ports of entry and vulnerable segments of the border line;
- Contribute to the facilitation of legitimate trade and secure travel and contribute to the prevention of smuggling and trafficking of human beings and goods;
- Prevent illegal cross-border movement; contribute to the protection of the Republic's environmental and natural resources;
- Protect the Republic from harmful and infectious diseases, pests and substances; and
- Balance the facilitation of legitimate trade and travel with security and the constitutional responsibility of the South African National Defence Force to defend and protect the Republic,its territorial integrity and its people.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the entity was R 166,201,444 as at 31 March 2024.

3. Going concern

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

4. Accounting policies

The annual financial statements have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

Accounting Authority's Report

5. Corporate governance

General

The Accounting Authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Accounting Authority supports the highest standards of corporate governance and the ongoing development of best practice.

Audit and Risk Committee

The Audit and Risk Committee is chaired by Mr L Mangquku (Independent member) and comprises of three (3) independent members Mr A Amod, Mr S Maharaj and Mr T Phili as appointed by the Minister of Home Affairs in February 2023.

Internal audit

The entity has outsourced its internal audit function to DHA through a shared service agreement. The DHA utilised the services of external audit firms in performing the audits.

6. Executive Authority

The entity's Executive Authority is the Minister of Home Affairs.

7. Bankers

The entity's banker,approved by National Treasury is Absa Bank Limited.

8. Auditors

The Auditor General of South Africa is the appointed auditor for the current financial year.

Accounting Authority: Dr NM Masiapato

Commissioner

Statement of Financial Position

	Note(s)	2024
Assets		
Non-Current Assets		
Property, plant and equipment	3	143,114,515
Current Assets		
Inventories	4	9,071,731
Receivables from exchange transactions	5	53,503,409
Receivables from non-exchange transactions	6	134,017,000
Prepayments	7	9,587,997
Cash and cash equivalents	8	231,759,388
		437,939,525
Total Assets		**581,054,040**
Liabilities		
Current Liabilities		
Payables from exchange transactions	9	114,300,270
Accruals	10	180,509,754
		294,810,024
Total Liabilities		**294,810,024**
Net Assets		**286,244,016**
Gains from transfer of functions between entities under common control		120,042,572
Accumulated surplus		166,201,444
Total Net Assets		**286,244,016**

* See Note

Statement of Financial Performance

	Note(s)	2024
Revenue		
Revenue from exchange transactions		
Rendering of services	11	53,073,343
Interest received	11	12,876,689
Total revenue from exchange transactions		**65,950,032**
Revenue from non-exchange transactions		
Unconditional grant		150,000,000
Government grants & subsidies	11	1,341,225,000
Fines, Penalties and Forfeits	11	37,575,000
Total revenue from non-exchange transactions		**1,528,800,000**
Total revenue	11	**1,594,750,032**
Expenditure		
Employee related costs	12	(1,161,616,889)
Depreciation and amortisation	13	(18,044,465)
Finance costs	14	(329,916)
Loss on assets write off	15	(2,914,650)
General Expenses	16	(245,642,668)
Total expenditure		**(1,428,548,588)**
Surplus for the year.		**166,201,444**

Statement of Changes in Net Assets

	Transfer of assets	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2023	**120,042,572**	**-**	**120,042,572**
Changes in net assets			
Surplus for the year	-	166,201,444	166,201,444
Total changes	-	166,201,444	166,201,444
Balance at 31 March 2024	**120,042,572**	**166,201,444**	**286,244,016**
Note	18		

Cash Flow Statement

	Note(s)	2024
Cash flows from operating activities		
Receipts		
Cash receipts		1,394,352,934
Interest income		12,876,689
		1,407,229,623
Payments		
Cash paid to suppliers and employees		(1,131,109,261)
Finance costs		(329,916)
		(1,131,439,177)
Net cash flows from operating activities	17	**275,790,446**
Cash flows from investing activities		
Purchase of property, plant and equipment	3	(44,031,058)
Net increase/(decrease) in cash and cash equivalents		**231,759,388**
Cash and cash equivalents at the end of the year	8	**231,759,388**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Rendering of services	-	-	**-**	53,073,343	**53,073,343**
Interest received	-	-	**-**	12,876,689	**12,876,689**
Total revenue from exchange transactions	**-**	**-**	**-**	**65,950,032**	**65,950,032**
Revenue from non-exchange transactions					
Unconditional grant	-	-	**-**	150,000,000	**150,000,000**
Transfer revenue					
Fines, Penalties and Forfeits	-	-	**-**	37,575,000	**37,575,000**
Government Grants and Subsidies	1,341,225,000	-	**1,341,225,000**	1,341,225,000	**-**
Total revenue from non-exchange transactions	**1,341,225,000**	**-**	**1,341,225,000**	**1,528,800,000**	**187,575,000**
Total revenue	**1,341,225,000**	**-**	**1,341,225,000**	**1,594,750,032**	**253,525,032**
Expenditure					
Personnel	(963,789,000)	-	**(963,789,000)**	(1,161,616,889)	**(197,827,889)**
Contractors	(26,185,504)	-	**(26,185,504)**	-	**26,185,504**
Minor Assets	(486,972)	-	**(486,972)**	(1,137,048)	**(650,076)**
Advertising	(3,513,381)	-	**(3,513,381)**	(7,237,006)	**(3,723,625)**
Venues	-	-	**-**	(3,135,561)	**(3,135,561)**
Consultants: Business and advisory services	(9,271,648)	-	**(9,271,648)**	(21,158,997)	**(11,887,349)**
Finance cost	-	-	**-**	(329,916)	**(329,916)**
Fleet Services	(4,880,278)	-	**(4,880,278)**	(14,260,393)	**(9,380,115)**
Telephone & fax	(8,884,451)	-	**(8,884,451)**	(292,690)	**8,591,761**
Consumable supplies	(455,760)	-	**(455,760)**	(3,239,483)	**(2,783,723)**
Consumables: Stationery, printing and office supplies	(456,000)	-	**(456,000)**	-	**456,000**
Catering: Departmental activities	-	-	**-**	(222,303)	**(222,303)**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Audit costs: Internal	-	-	**-**	(893,011)	**(893,011)**
Adminstration expenses	(729,216)	-	**(729,216)**	(252,747)	**476,469**
Operating lease	(2,100,960)	-	**(2,100,960)**	(16,300,888)	**(14,199,928)**
Entertainment	(273,456)	-	**(273,456)**	(13,167)	**260,289**
Computer services	(100,815,220)	-	**(100,815,220)**	(18,814,945)	**82,000,275**
Repairs and maintance	-	-	**-**	(18,652,008)	**(18,652,008)**
Travel and subsistence	(1,709,954)	-	**(1,709,954)**	(88,314,241)	**(86,604,287)**
Training and development	(13,412,256)	-	**(13,412,256)**	(23,643,000)	**(10,230,744)**
Property payments	(2,389,000)	-	**(2,389,000)**	-	**2,389,000**
Operating payments	(4,785,046)	-	**(4,785,046)**	(28,075,180)	**(23,290,134)**
Total expenditure	**(1,144,138,102)**	**-**	**(1,144,138,102)**	**(1,407,589,473)**	**(263,451,371)**
Operating surplus	**197,086,898**	**-**	**197,086,898**	**187,160,559**	**(9,926,339)**
Loss on assets write off	-	-	**-**	(2,914,650)	**(2,914,650)**
Depreciation and amortisation	-	-	**-**	(18,044,465)	**(18,044,465)**
	-	-	**-**	(20,959,115)	**(20,959,115)**
Surplus	**197,086,898**	**-**	**197,086,898**	**166,201,444**	**(30,885,454)**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**197,086,898**	**-**	**197,086,898**	**166,201,444**	**(30,885,454)**

Narration area

The narrations for the material differences between budget vs actual is detailed in note 28.

Significant Accounting Policies

1. Presentation of Annual Financial Statements

1.1 Basis of preparation

The annual 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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below;

1.2 Presentation currency

The annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

The annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

Useful lives and residual values of assets; depreciation, amortisation and impairment.

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual 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 annual financial statements.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The following factors were taken into account with the assessment of impairment of receivables.

BMA considered all factors disclosed in the accounting policy of the annual financial statements as at 31 March 2024 and use of available information. The application of judgement is inherent in the formation of estimates for impairment.

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

BMA did not have any historic trends that indicated that their receivables may need to be impaired as this is first year of operations as such BMA is not able to determine the following:-

- Whether the customer/client has been placed under or applied for liquidation or sequestration.
- Whether the customer/client has been handed over to debt collectors and/or power of attorney
- Whether customer/client has a history of non-payment of debt or has arrears debt.

Based on the analysis BMA has not impaired receivables due to limitation in the availability of sufficient information/ events.

Materiality

Applying materiality is pervasive to the preparation of financial statements. Materiality is a key consideration in deciding how to apply the Standards of GRAP when preparing the financial statements. Information is material if its omission or misstatement has the potential to influence the decisions of users or affect the discharge of accountability by the entity.

Applying materiality in the preparation of annual financial statements requires the entity to make key assessments and decisions. Key assessments and decisions made in considering materiality, are as follows:

- Identification of users and their information needs
- Assessing information based on nature and size, by developing qualitative considerations and quantitative thresholds
- Application of materiality in preparing the financial statements:
  - Developing accounting policies
  - Deciding what information to disclose
  - Deciding how to present information
  - Assessing ommissions, misstatements and errors

The assessments and decisions are considered throughout the financial reporting cycle, and not only when annual financial statements are prepared.

1.5 Transfer of functions between entities under common control

Definitions

An acquirer is the entity that obtains control of the acquiree or transferor.

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity’s objectives, either by providing economic benefits or service potential.

Significant Accounting Policies

1.5 Transfer of functions between entities under common control (continued)

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

A transferor is the entity that relinquishes control of a function.

Common control - for a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole entity. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:

- Input: Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it.
- Process: Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs.
- Output: The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.

Identifying the acquirer and transferor

For each transfer of functions between entities under common control an acquirer and transferor are identified. All relevant facts and circumstances are considered in identifying the acquirer and transferor.

The terms and conditions of a transfer of functions undertaken between entities under common control are set out in a binding arrangement. The binding arrangement governing the terms and conditions of a transfer of functions may identify which entity to the transaction or event is the transferor(s) and which entity is the acquirer. Where the binding arrangement does not clearly identify the acquirer or the transferor, the behaviour or actions of the entities may indicate which entity is the acquirer and which entity is the transferor.

Determining the acquirer includes a consideration of, amongst other things, which of the entities involved in the transfer of functions initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the transfer date

During the financial year under review as part of the establishment of the Border Management Authority, the transferring Departments, transferred functions into the entity. The transaction relating to the transfer has been accounted for in accordance with the applicable GRAP standards.

Significant Accounting Policies

1.5 Transfer of functions between entities under common control (continued)

The acquirer and the transferor identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.

All relevant facts and circumstances are considered in identifying the transfer date.

Assets acquired [transferred] and liabilities assumed [relinquished]

The recognition of assets and liabilities, is subject to the following conditions:

The assets acquired and the liabilities assumed are part of what had been agreed in terms of the binding arrangement (if applicable), rather than the result of separate transactions.

Determining what is part of the transfer of functions transaction

Where the entity and the transferor have a pre-existing relationship before or when negotiations for a transfer of functions began, or where a binding arrangement is entered into during the negotiations that are separate from a transfer of functions, any amounts that are not part of what were transferred in a transfer of functions are identified. This policy only applies to the consideration transferred and the assets acquired and liabilities assumed in a transfer of functions as governed by the terms and conditions of the binding arrangement.

The following factors are considered, which are neither mutually exclusive nor individually conclusive, to determine whether a transaction is part of a transfer or function or whether the transaction is separate:

- the reasons for the transaction
- the timing of the transaction

Other criteria for the entity (as acquirer)

The assets acquired and liabilities assumed that qualify for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the transfer date.

Costs that the entity expects, but which it is not obliged to incur in the future to effect its plan to exit an activity of the transferor or to terminate the employment of, or relocate the transferor‘s employees, is not accounted for as part of the liabilities at the transfer date. The entity does not recognise those costs as part of a transfer of functions. Instead, the entity recognises these costs in its annual financial statements after the transfer has occurred, in accordance with the applicable Standards of GRAP.

Accounting by the entity as acquirer

Initial recognition and measurement

As of the transfer date, the entity recognises the purchase consideration paid to the transferor and all the assets acquired and liabilities assumed in a transfer of functions. The assets acquired and liabilities assumed are measured at their carrying amounts.

If, prior to the transfer of functions, the transferor was not applying the accrual basis of accounting, the transferor changes its basis of accounting to the accrual basis of accounting prior to the transfer.

The consideration paid by the entity can be in the form of cash, cash equivalents or other assets. If the consideration paid is in the form of other assets, the entity de-recognises such assets on the transfer date at their carrying amounts.

Significant Accounting Policies

1.5 Transfer of functions between entities under common control (continued)

The difference between the carrying amounts of the assets acquired, the liabilities assumed and the consideration paid to the transferor, is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the entity reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the entity retrospectively adjusts the provisional amounts recognised at the transfer date to reflect new information obtained about facts and circumstances that existed as of the transfer date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the entity receives the information it was seeking about facts and circumstances that existed as of the transfer date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the transfer date. The BMA has adopted the measurement period of two years in the recognition of property, plant and equipment in which it may adjust the provisional amount recognised for the transfer of functions.

The entity considers all relevant factors in determining whether information obtained after the transfer date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the transfer date.

The entity recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit. However, new information obtained during the measurement period may sometimes result in an adjustment to the provisional amount of more than one asset or liability.

During the measurement period, the entity recognises adjustments to the provisional amounts as if the accounting for the transfer of functions had been completed at the transfer date. Thus, the entity revises comparative information for prior periods presented in annual financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the entity revises the accounting for a transfer of functions only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Subsequent measurement

The entity subsequently measures any assets acquired and any liabilities assumed in a transfer of functions in accordance with the applicable Standards of GRAP.

During the financial year under review, transferring Departments (DHA, DFFE, DoH and DALRRD) transfered functions into the BMA.

At the transfer date, the entity classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The entity makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions that exist at the transfer date. An exception is that the entity classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the transfer date):

Significant Accounting Policies

1.5 Transfer of functions between entities under common control (continued)

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and
- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Significant Accounting Policies

1.6 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
Motor vehicles	Straight-line	5 to 10 years
Furniture and fittings	Straight-line	3 to 10 years
IT equipment	Straight-line	2 to 8 years
Generator	Straight-line	5 to 10 years
Buildings	Straight-line	15 to 20 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

In line with GRAP 105 (Transfer of functions between entities under common control) BMA has adopted the measurement period of two years in the recognition of property, plant and equipment in which it may adjust the provisional amount recognised for the transfer of functions.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements see note 3.

1.7 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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Significant Accounting Policies

1.7 Financial instruments (continued)

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.

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).

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.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

BMA recognises an accrual when goods or services are received but not yet paid for, due to not having received an invoice. A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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 amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

Significant Accounting Policies

1.7 Financial instruments (continued)

- the entity designates at fair value at initial recognition; or
- are held for trading.

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.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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:

Financial Assets	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and Cash Equivalent	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Financial liabilities	Category
Payables from exchange transactions	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets in the financial statements when risks and rewards are considered to be transferred.

Significant Accounting Policies

1.7 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

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

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

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Significant Accounting Policies

1.7 Financial instruments (continued)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

There are no restriction applicable on the cash balances disclosed.

Significant Accounting Policies

1.10 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits Recognition and measurement All short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

a. As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

b. As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

a. in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

b. in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

a. the entity has a present legal or constructive obligation to make such payments as a result of past events; and

b. a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Significant Accounting Policies

1.10 Employee benefits (continued)

Post-employment benefits: Distinction between defined contribution plans and defined benefit plans

Defined benefit plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Post-employment benefits mainly comprise of pension benefits arising from the entity and each employee's contributions to the Government Employees Pension Fund (GEPF), a state plan established by legislation that operate as a multi-employer plan for government entities and operated by a national government agency created specifically for this purpose.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The entity has no legal or constructive obligation to pay future benefits except for the payment of the contributions as they fall due. The entity therefore accounts for the state plan as a defined contribution plan.

The entity recognises the contributions payable to the state plan (which it accounts for as a defined contribution plan) when employees have rendered services to the entity during the reporting period:

- as a liability (accrued expense), after deducting any contribution already paid. If the contributions already paid exceed the contributions due for services rendered before the end of the reporting period, the enity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund; and
- as an expense.

The liability and the related expense is measured as an undiscounted amount of the contributions to be paid to the GEPF and when contributions are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, the liability is discounted using the market yields at the end of the reporting period on government bonds.

1.11 Contingent liabilities

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:

Significant Accounting Policies

() it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

() the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but a brief description of the nature of contingent liabilities at the reporting date, and, where practicable, an estimate of their financial effect is disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments. Items are classified as commitments when the entity has irrevocably bound itself to future transactions that will normally result in the outflow of economic benefits or service potential in future reporting periods. This represents the contractual balance committed to the capital expenditure on reporting date that will be incurred in the period subsequent to the specific reporting date.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

Revenue from exchange transactions include the following services revenue Port of Health, Agriculture inspection services and immigration services.

Significant Accounting Policies

1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity. When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the

amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Significant Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

The main revenue from non-exchange transactions accruing to the entity relates to government allocation, fines and penalties and CARA Fund.

Taxes

The entity is exempt from income tax in terms of section 10(1)(CA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962). The entity is registered as an employer in terms of the PAYE provisions of the Income Tax Act.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

The entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Significant Accounting Policies

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including;

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act.

1.18 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.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2023 to 31/03/2024.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.19 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

Significant Accounting Policies

1.19 Related parties (continued)

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.20 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Statutory receivables for BMA relates to penalties and fines levied in accordance with the Immigration Act, revenue receivable from specialised Agriculture services rendered and monies receivable from the Criminal Assets and Recovery Account (CARA).

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- impairment losses; and
- amounts derecognised.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

Significant Accounting Policies

1.20 Statutory receivables (continued)

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

1.21 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

The Border Management Authority inventory consists of staff uniform, the nature of uniform is that it cannot be resold to the market. Therefore based on this knowledge the uniform inventory is deemed to have no net realizable value.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.22 Gains from transfer of functions between entities under common control

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Significant Accounting Policies

1.23 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal- agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

1.24 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).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

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

Significant Accounting Policies

1.25 Unconditional grant(s)

Any funds received in advance of meeting conditions would be recorded as refundable advances. Absent any conditions, unconditional grants are recognized as revenues when the written unconditional promise to give is received (in most cases the allocation letter).

Unlike restricted grants, unconditional grants have no barriers or restrictions, allowing for immediate revenue recognition. Even if donor-imposed time or purpose restrictions exist, the recognition of revenue remains unchanged for unconditional grants.

1.26 Prepayments

Prepayments are payments made in advance for products and services that have not been delivered for which BMA expects the delivery in the next financial period. Prepayments are recognised as current assets and are not discounted as the discounting effect thereof is considered immaterial.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	The impact of the standard is not material.
• GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the standard is not material.
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2023	The impact of the standard is not material.

GRAP 104 (revised): Financial Instruments

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This standard will replace the current GRAP 104. The entity will assess the impact of the standard on its financial statements. Issued by the ASB in April 2021 and the effective date is 1 April 2025.

GRAP 25 (revised): Employee Benefits

The proposed changes mostly affect defined benefit plans. The proposed changes would require entities to identify, classify and present the information on defined benefit plans differently in future. BMA will assess the type of impact these changes will have in its reporting.It is not expected to have a material effect on the entity. Issued by the ASB in April 2021 and the effective date is 1 April 2023.

GRAP 1 (amended): Presentation of Financial Statements

The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. The amendments related to materiality is effective from 1 April 2023. No effective date for the amendments related to going concern has been determined by the Minister of Finance. The entity will assess the impact of both amendments to the standard on its financial statements.

2.2 Standards and Interpretations early adopted

The entity has not chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 105 Transfer of Functions Between Entities Under Common Control	01 February 2024	The impact of the standard is not material.
• GRAP 2023 Improvements to the Standards of GRAP 2023	01 November 2023	The impact of the standard is not material.

Notes to the Annual Financial Statements

GRAP 105: Transfer of Functions Between Entities Under common control

The objective of this Standard is to establish principles and requirements for the acquirer and transferor in a transfer of functions between entities under common control and its effects.The Minister of Finance has not yet determined an effective date for these revisions. Entities are therefore unable to early adopt the revisions and cannot use the revised Standards to develop accounting policies. BMA has elected not to early adopt the standard.

GRAP 2023: Improvements to the standards of GRAP 2020

The objective of the standards is to ensure alignment with international standard setters as well as local stakeholders inputs, minor amendments have been made to the standard. The BMA has assessed the minor amendments and confirmed that the adoption of this standard is unlikely to have significant impact on the BMA annual financial statements.

3. Property, plant and equipment

	2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	970,000	(27,483)	942,517
Furniture and fixtures	7,722,317	(1,547,543)	6,174,774
Motor vehicles	81,555,226	(6,679,483)	74,875,743
IT equipment	69,646,482	(9,206,953)	60,439,529
Generator	802,899	(120,947)	681,952
Total	**160,696,924**	**(17,582,409)**	**143,114,515**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Derecognition/ Disposal	Transfers received	Depreciation	Total
Buildings	-	970,000	-	-	(27,483)	942,517
Furniture and fixtures	-	1,849,826	-	5,872,491	(1,547,543)	6,174,774
Motor vehicles	-	38,137,976	(2,914,650)	46,793,956	(7,141,539)	74,875,743
IT equipment	-	2,765,464	-	66,881,018	(9,206,953)	60,439,529
Generator	-	307,792	-	495,107	(120,947)	681,952
	-	**44,031,058**	**(2,914,650)**	**120,042,572**	**(18,044,465)**	**143,114,515**

Pledged as security

The entity does not have any property, plant and equipment pledged as security and guarantee for any liabilities or obligations as at 31 March 2024.

In line with GRAP 105 BMA has adopted the measurement period of two years in the recognition of property, plant and equipment in which it may adjust the provisional amount recognised for the transfer of functions.

Notes to the Annual Financial Statements

	2024

Expenditure incurred to repair and maintain property, plant and equipment

During the current financial year, BMA did not incur any repair and maintenance related to property, plant and equipment.

4. Inventories

Inventory: Uniform	9,071,731

Reconciliation of inventory

Purchases	31,638,614
Distribution	(21,364,663)
Inventory regarded as consumables expenses	(1,202,220)
Closing balance	**9,071,731**

The Border Management Authority inventory consists of staff uniform, given the nature of uniform is it cannot be resold to the market, therefore the inventory does not have net realisable value.

5. Receivables from exchange transactions

Departmental service revenue	48,189,909
Other receivables	4,874,454
Interest receivable	439,046
	53,503,409

Statistory receivables included in receivables from exchange transactions above are as follows:

Service revenue from Department of Agriculture	45,583,468

Receivables from exchange transactions - past due but not impaired

Current	51,403,890
31 to 60 days	942,901
61 to 90 days	390,758
91 to 120 days	147,835
>120 days	618,025
	53,503,409

Statutory receivables general information

Transaction(s) arising from statute

Statutory receivables from exchange transactions relates to revenue receivable from specialised Agriculture services rendered by BMA.

Determination of transaction amount

The specialised Agriculture revenue is determined in terms of the gazetted tariff structure applicable to the services rendered by the BMA in accordance with the Animal Diseases Act and the Meat Safety Act.

Notes to the Annual Financial Statements

Basis used to assess and test whether a statutory receivable is impaired

BMA considered all factors disclosed in the accounting policy of the annual financial statements as at 31 March 2024 and use of available information. The application of judgement is inherent in the formation of estimates for impairment.

BMA did not have any historic trends that indicated that their receivables may need to be impaired as this is first year of operations as such BMA is not able to determine the following:-

- Whether the customer/client has been placed under or applied for liquidation or sequestration.
- Whether the customer/client has been handed over to debt collectors and/or power of attorney.
- Whether customer/client has a history of non-payment of debt or has arrears debt.

Based on the analysis BMA has not impaired receivables due to limitation in the availability of sufficient information/ events.

6. Receivables from non-exchange transactions

	2024
Fines and penalties	37,420,000
Unconditional grant CARA	96,597,000
	134,017,000

Statutory receivables included in receivables from non-exchange transactions above are as follows:

	2024
Fines and penalties	37,420,000
Unconditional grant CARA	96,597,000
Total receivables from non-exchange transactions	**134,017,000**

Statutory receivables general information

Transaction(s) arising from statute

Statutory receivables from non-exchange transactions relates to penalties and fines levied in accordance with the Immigration Act, and monies receivable from the Criminal Assets and Recovery Account (CARA).

Determination of transaction amount

Fines and penalties are determined in accordance with the Immigration Act 2013 of 2002. The CARA amount is based on the allocation as approved by the Department of Justice and Constitutional Development (DoJ & cd). In the current year BMA was approved R150 million from the CARA funding.

Basis used to assess and test whether a statutory receivable is impaired

The following factors were taken into account with the assessment of impairment of receivables.

BMA considered all factors disclosed in the accounting policy of the annual financial statements as at 31 March 2024 and use of available information. The application of judgement is inherent in the formation of estimates for impairment.

BMA did not have any historic trends that indicated that their receivables may need to be impaired as this is first year of operations as such BMA is not able to determine the following:-

Notes to the Annual Financial Statements

	2024

6. Receivables from non-exchange transactions (continued)

- Whether the customer/client has been placed under or applied for liquidation or sequestration.
- Whether the customer/client has been handed over to debt collectors and/or power of attorney.
- Whether customer/client has a history of non-payment of debt or has arrears debt.

Based on the analysis BMA has not impaired receivables due to limitation in the availability of sufficient information/ events.

Receivables from non-exchange transactions past due but not impaired

Receivables from non-exchange transactions which are less than 12 months past due are not considered to be impaired. At 31 March 2024, R37 420 000 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Current	2,555,000
31 to 60 days	3,190,000
61 to 90 days	5,845,000
91 to 120 days	5,245,000
121 to 150 days	3,070,000
151 to 180 days	4,625,000
<180 days	12,890,000

7. Prepayments

The amounts represents goods and services which were paid for in advance and were delivered or provided for after year-end respectively. In each and every instance, there was a requirement for payment to be made in advance and thus in compliance with Treasury Regulations.

Prepayments	9,587,997
	9,587,997

Prepayments relates to services which had been paid for but not yet delivered or provided respectively, consisting mainly of training cost and software licenses for resources of the entity. The training cost relate to the services provided by Road Traffic Management Corporation (RTMC) for 400 BMA junior border guards whilst the licence costs relate to the Microsoft licences purchased for resources of the entity.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	231,759,388

Notes to the Annual Financial Statements

	2024

Credit quality of cash at bank and short term deposits, excluding cash on hand

The bank balances consisted of current accounts and call accounts

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

Credit rating BB- (ABSA)	231,759,388

9. Payables from exchange transactions

Trade payables - National Departments	114,300,270

10. Accruals

Leave accruals	92,681,440
13th Cheque accruals	23,768,200
Other accruals	64,060,114
	180,509,754

11. Revenue

Rendering of services	53,073,343
Interest received	12,876,689
Unconditional grant	150,000,000
Government grants & subsidies	1,341,225,000
Fines and Penalties	37,575,000
	1,594,750,032

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	53,073,343
Interest received	12,876,689
	65,950,032

The amount included in revenue arising from non-exchange transactions is as follows:

Unconditional grant	150,000,000
Other non-exchange transaction revenue	
Government grants & subsidies	1,341,225,000
Fines and Penalties	37,575,000
	1,528,800,000

Notes to the Annual Financial Statements

	2024

12. Employee related costs

Basic salaries	687,398,055
Medical aid contributions	68,319,941
Allowances	53,507,373
Leave expense	92,681,440
Pension fund contributions	84,513,477
GPSSBC	200,189
Overtime payments	49,081,040
Long-service awards	130,788
13th Cheques	76,594,626
GEHS Individual	4,763,217
Housing benefits and allowances	33,982,170
PSCBC	40,682
Leave discounting	486,902
Capital remuneration (new subsides)	314,051
DHA Employee expense	9,602,938
	1,161,616,889

13. Depreciation and amortisation

Property, plant and equipment	18,044,465

14. Finance costs

Late payment of tax	329,916

15. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Loss on assets write off	2,914,650
Depreciation on property, plant and equipment	18,044,465
Employee costs	1,161,616,889

Notes to the Annual Financial Statements

16. General expenses

	2024
Advertising	7,237,006
Repairs and maintenance	18,652,008
Audit costs - Internal	893,011
Bank charges	252,747
Cleaning	265,480
Municipal rates and taxes	707,052
Computer expenses	18,814,945
Consulting and professional fees	21,158,997
Consumables	3,239,483
Minor assets	1,137,048
Entertainment	13,167
Operating expense - rentals	16,300,888
Catering: Departmental activities	222,303
Reallocation cost	18,172
Stationery cost	1,567,777
Uniform	21,364,663
Security	48,956
Telephone and fax	292,690
Training	23,643,000
Travel - local	88,314,241
Fleet services	14,260,393
Operation support	1,717,771
Governance committees	1,275,672
Medical Services	1,109,637
Venue expenses	3,135,561
	245,642,668

Notes to the Annual Financial Statements

17. Cash generated from operations

	2024
Surplus	166,201,444
Adjustments for:	
Depreciation and amortisation	18,044,465
Loss on assets write off	2,914,650
Changes in working capital:	
Inventories	(9,071,731)
Receivables from exchange transactions	(53,503,409)
Other receivables from non-exchange transactions	(134,017,000)
Prepayments	(9,587,997)
Payables from exchange transactions	114,300,270
Accruals	180,509,754
	275,790,446

18. Transfer of functions between entities under common control

Transfer of functions between entities under common control occurring during the current reporting period

In June 2013, Cabinet mandated the Department of Home Affairs (DHA) to lead the establishment of a Border Management Authority in South Africa, which will be responsible for the execution of border law enforcement function that was then performed by multiple stakeholders. The establishment of the BMA was to enable a legal framework that will allow authority to execute functions on behalf of a multiplicity of organs of state in the ports of entry and within the border law enforcement area. The BMA Act, No. 2 of 2020 was subsequently accented to law by Parliament in July 2020.

The Border Management Authority (BMA) was formally established as Schedule 3A Public Entity on 1 April 2023. This follows the President's Proclamation 89 of 2022, which transferred front-line ports of entry functions from four (4) government departments to the BMA, namely Departments of Health; Home Affairs; Forestry, Fisheries and Environment; and Agriculture, Land Reform and Rural Development. The entity was formally launched by the President of the Republic of South Africa, on 05 October 2023.

To this effect the BMA is funded through the budget transfers from transferring Departments (DFFE; DALRRD; DHA and DoH) which had some of their staff members integrated into the BMA. The transferred budget comprised about 90% of employee cost with the remaining budget focusing on goods and services.

Functions transferred from the Respective Department(s) as per the Proclamations made by the President of the Republic of South Africa, in terms of section 97 of the Constitution of the Republic of South Africa that confirm the transfer of the administration and the powers or functions entrusted by legislation and all amendments to be exercised or performed within the Border Law Enforcement Area and at 71 ports of entry as defined in the Border Management Authority Act, 2020 (Act no.2 of 2020).

In addition to the functions transferred, assets and liabilities were transferred during the financial year through the application of Section 42 for the PFMA.

Notes to the Annual Financial Statements

	2024

18. Transfer of functions between entities under common control (continued)

In line with GRAP 105 (Transfer of functions between entities under common control) BMA has adopted the measurement period of two years in the recognition of property, plant and equipment in which it may adjust the provisional amount recognised for the transfer of functions.

During the year under review the entity utilised assets from DALRRD and DoH which as at year end not transferred. The assets being utilised relates to motor vehicles, furniture and equipment, IT equipment, buildings and biological assets.

Value of the assets transfered

Assets transferred from Department of Home Affairs - Cost

Motor vehicles	64,592,466
IT equipment	115,694,561
Furniture and office equipment	17,278,924
Generator	1,133,875
	198,699,826

Assets transferred from Department of Foresty and Fisheries - Cost

Motor vehicles	478,134
Furniture and fittings	150,802
IT equipment	469,459
	1,098,395

Assets transferred from Department of Home Affairs - Deemed costs

Motor vehicles	46,431,069
IT equipment	66,561,968
Furniture and office equipment	5,829,506
Generator	495,107
	119,317,650

Assets transferred from Department of Foresty and Fisheries - Deemed costs

Motor vehicles	362,887
Furniture and fittings	42,984
IT equipment	319,051
	724,922

Notes to the Annual Financial Statements

	2024

19. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Cash and cash equivalents	231,759,388	231,759,388

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	114,300,270	114,300,270
Accruals	48,199,609	48,199,609
	162,499,879	**162,499,879**

20. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

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. Cash flow forecasts are prepared to give an indication of periods during which liquidity problems are expected.

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.

The entity manages liquidity by monitoring cash flows and ensuring that the necessary funds are available to meet any commitment which may arise.

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	114,300,270	-	-	-

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.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates is Credit rating BB-.

Notes to the Annual Financial Statements

	2024

20. Risk management (continued)

Financial assets exposed to liquidity and credit risk at year end were as follows:

Cash and Cash Equivalent	231,759,388

21. Commitments

Authorised capital expenditure

Already contracted for but not provided for	
• Existing contracts	12,146,548
Total capital commitments	
Already contracted for but not provided for	12,146,548

This committed expenditure relates to capital expenditure in future financial periods and will be financed by available retained surpluses, existing cash resources and funds internally generated.

Operating leases - as lessee (expense)

Minimum lease payments due	
- within one year	7,507,401

Operating lease payments represent rentals payable by the entity for its office space and fleet services. No contingent rent is payable.

Notes to the Annual Financial Statements

	2024

22. Related parties

Relationships

Member	Refer to note 23
Executive Authority	Minister of the Department of Home Affairs
National Spheres of goverment under common control	Refer to note 18
Members of key management	Refer to management class disclosure note

Border Management Authority is a Schedule 3A public entity in terms of the Public Finance Management Act (Act 1 of 1999, as amended).

Related party balances

Trade and other trade receivables and (payables).

Department of Home Affairs (DHA)	(113,929,325)
Department of Home Affairs (DHA)	1,400,996
Department of Agriculture, Land Reform and Rural development (DALRRD)	(166,055)
Department of Agriculture, Land Reform and Rural Development (DALRRD)	45,583,468
Department of Health (DoH)	(1,817,260)
Department of Health (DoH)	1,205,445

Related party transactions

Administration fees paid to (received from) related parties

Service income - Home Affairs	1,400,996
Service Income - Agriculture,land reform and rural development	45,583,468
Service Income - Health	1,205,445

The amount receivable from DHA, DoH, and DALRRD are disclosed above respectively.

During the year under review, the BMA entered into a shared service agreement/MOU for various services with DHA, DoH and DALRRD. The shared services agreement/MOU was entered into due to the lack of resource capacity.

Notes to the Annual Financial Statements

2024

22. Related parties (continued)

Remuneration of Management: Executive management

2024

Name	Basic salary	13th Cheque	Other short-term employee benefits	Post-employment benefits	Leave Discounting	Other long-term benefits	Other benefits received	Total
Commissioner - Dr NM Masiapato	1,510,801	179,878	663,557	196,404	-	119	-	2,550,759
Deputy Commissioner Corporate Services - Ms MJJ Thupana	1,164,507	138,632	248,951	151,386	108,475	119	-	1,812,070
Deputy Commissioner Operations - MG D Chilembe	1,164,507	138,632	248,951	151,386	63,809	119	-	1,767,404
Assistant Commissioner - Ms ZN Chonco	629,572	-	135,508	81,844	-	50	-	846,974
Acting Assistant Commissioner - Mr JS Van Neel	878,890	-	81,424	114,256	-	128	292,912	1,367,610
Assistant Commissioner - Mr MAM Ramathuba	873,860	-	87,438	113,602	-	90	100,650	1,175,640
Assistant Commissioner - Mr A Managa	430,500	-	22,660	55,965	-	50	76,000	585,175
Assistant Commissioner - Ms L Fouche	846,857	21,345	190,906	110,091	-	90	18,577	1,187,866
Assistant Commissioner - Mr TC Dubazana	1,053,291	-	217,278	136,928	-	90	6,000	1,413,587
	8,552,785	**478,487**	**1,896,673**	**1,111,862**	**172,284**	**855**	**494,139**	**12,707,085**

Deputy Assistant Commissioner - Mr JS Van Neel acted as the Assistant Commissioner Operations and Law Enforcement from 01 April 2023 to 31 March 2024.

Notes to the Annual Financial Statements

	2024

23. Members' and prescribed officers' remuneration and other benefits paid, payable or receivable

Non-executive

2024

Audit and Risk Committee	**Committees fees**	**Total**
Mr L Mangquku (Chairperson)	348,509	348,509
Mr A Amod (Member)	198,009	198,009
Mr S Maharaj (Member)	196,552	196,552
Mr T Phili (Member)	196,270	196,270
	939,340	**939,340**

Human Capital and Remuneration Committee	**Committee Fees**	**Total**
Ms N Maharaj (Chairperson)	158,223	158,223
Mr S Faku (Member)	84,148	84,148
Mr J Tshipa (Member)	93,960	93,960
	336,331	**336,331**

24. Events after the reporting date

The entity is not aware of any material event which occured after the reporting date.

25. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure identified - current	702,650

Disciplinary steps taken/criminal proceedings

No investigation were performed for fruitless and wasteful expenditure in the current year due to capacity constraints. All investigations will be completed in the 2024/2025 financial year period through the loss control committee. Management will compile the investigation report and will commence with consequence management then request for write off from Accounting Authority.

The loss control committee will be establish in the 2024/2025 financial year.

Notes to the Annual Financial Statements

	2024

26. Irregular expenditure

Irregular Expenditure - current	10,213,526

Irregular expenditure is presented inclusive of VAT.

Disciplinary steps taken/criminal proceedings

No investigation were performed for irregular expenditure in the current year due to capacity constraints and irregular expenditure being identified in March 2024. All investigations will be completed in the 2024/2025 financial year period through the loss control committee. Management will compile the investigation report and will commence with consequence management then request for condonement from National Treasury.

The loss control committee will be establish in the 2024/2025 financial year.

27. In-kind donations and assistance

During the year under review the entity utilised assets from DALRRD and DoH which as at year end were not transferred to the BMA.

The assets being utilised relates to motor vehicles, furniture and equipment, IT equipment, buildings and biological assets.

28. Budget differences

Material differences between budget and actual amounts

Narratives for the material differences between budget vs actual is detailed in Appendix 1.

29. Accounting by principals and agents

The Border Management Authority is a party to a principal-agent arrangement. The arrangement is with DHA, DoH and DALRRD. The entity is the principal in this arrangement.

Details of the arrangment(s) is|are as follows:

DHA, DoH and DALRRD collects administration fines, penalties, inspection fees from Ports of Entry on behalf of BMA. There has been no changes to the terms and conditions during the reporting period.

The entity is the principal, as it directs the Departments to undertake transactions (collection of the fines, penalties, inspection fees) on its behalf. The risks associated with the arrangement is that revenue collected by Departments is not paid over to the entity, or that revenue is not collected from the customers resulting in losses for the entity.

Furthermore, during the period between 01 April 2023 to January 2024, the BMA utilised the procurement services of DHA where the entity was the principal and DHA the agent.

Notes to the Annual Financial Statements

2024

29. Accounting by principals and agents (continued)

Entity as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

Resources including assets and liabilities of the entity have been have recognised by the agent in its financial statements. Refer to note 11 for the amount receivable from the Departments.

Fee paid

There were no fees paid as compensation to the collecting Departments.

30. Contingent liabilities

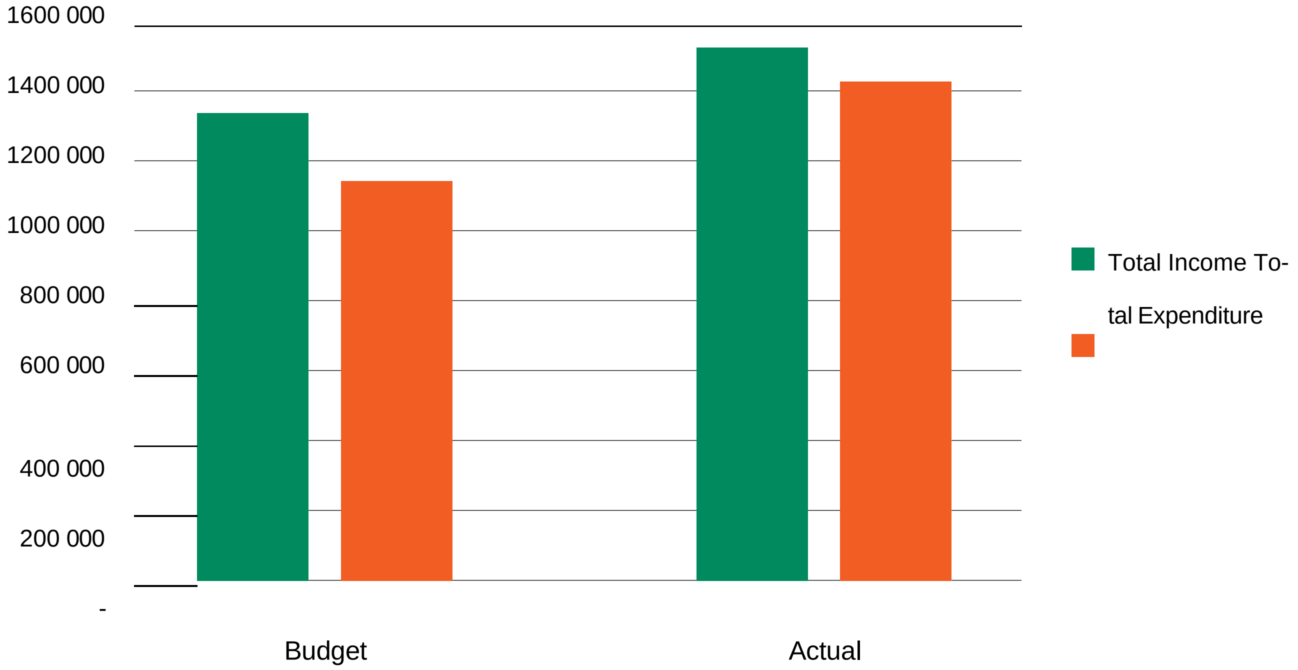
The entity recieved from the DFFE a confirmation of amount owing estimated at R1 557 126. The BMA has not recognised the trade payable as no supporting documentation could be provided to support the claim.

BORDER MANAGEMENT AUTHORITY (BMA)

BUDGET VARIANCES – EXPLANATION FOR THE PERIOD ENDED 31 MARCH 2024

1. SUMMARY

	Budget R'000	Actual R'000	Variance R'000	Variance %
Total Income	1 341 225	1 594 750	253 525	19%
Total Expenditure	1 144 138	1 428 549	(284 411)	(25%)



2. Total Income

Total income of R1,594 billion was 19% above the budget. This is mainly due to the additional revenue received from the Special functions and CARA funding.

The details for the variance in the revenue comparison are provided below:

2.1. Criminal Assets Recovery Account (CARA) Grant

During the FY2023/24 financial year, BMA received a grant of R150 million. The CARA funding was not budgeted for as no confirmation had been received for the approval of the grant.

2.2. Interest Income

The increase is mainly due to the interest levied on the bank balance. The interest income was not budgeted for in the current year.

2.3. Specialised function service revenue

The BMA earns revenue from inspection services performed by the Agriculture and Port Health specialised functions. The revenue relating to these functions was not budgeted for in the current year as this was the first year of operation for the BMA and no base for determining the estimated revenue was available.

2.4. Fines and penalties

Fines and penalties relate to amounts charged under Section 50(3) and 50(4) of the Immigration Act, Act 13 of 2002. Fines and penalties are not budgeted for.

3. Total Expenditure

The total expenditure was R284,411 million (25%) higher than budget. The main reason for the variance is narrated below:

3.1. Personnel

The personnel costs were slightly higher than budget mainly due to the accrual recognised for leave and the

13th cheque. If the leave and 13th cheque accrual is excluded, the entity is slightly below the budget mainly as a result of delays in the recruitment processes. These vacant positions are to be filled in the first quarter of FY2024/25.

3.2. Advertising

Advertising costs incurred were required for the branding of the entity and raising awareness on the establishment of the entity.

3.3. Consultants

Additional IT costs were procured during the quarter. These costs were not forecasted during the preparation of the budget.

3.4. Uniforms

The uniform costs increased as a result of a high demand for the uniform. This increased demand was not forecasted during the preparation of the budget.

3.5. Travel and Subsistence

The launch of the Border Management Authority, held in October increased the travel and subsistence this was further exacerbated by the December festive operations that required the movement of BMA border guards to venerable and under capacity Ports of Entry to assist with the busy season.

3.6. Training and development

BMA had expected an intake of 200 trainee bodyguards during the year. However, due to the limited capacity at the Ports of Entry, the intake was increased to 400 trainee bodyguards. The additional costs were not budgeted for in the current financial year.

3.7. Repairs and maintenance

The poor status of the Port of Entry infrastructure is a risk for the BMA and its staff. During the year to ensure compliance with Occupational Health and Safety (OHS) Standards minor repairs and maintenance was performed in various Ports of Entry.

Notes:

BMA
BORDER • MANAGEMENT • AUTHORITY

909 ARCADIA STREET,
HATFIELD
www.bma.gov.za

RP
ISBN: