sanas
South African National
Accreditation System

ANNUAL REPORT 2024/2025

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PART A

GENERAL INFORMATION


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SANAS GENERAL INFORMATION

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COMPANY SECRETARY
Mr Dawood Petersen

ABBREVIATIONS AND ACRONYMS

AI	Artificial Intelligence
AfCFTA	African Continental Free Trade Area
AFRAC	African Accreditation Cooperation
B-BBEE	Broad-Based Black Economic Empowerment
CABs	Conformity Assessment Bodies
CEO	Chief Executive Officer
COVID-19	Coronavirus Disease of 2019
CPI	Consumer Price Index
CSI	Corporate Social Investment
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
EVP	Employee Value Proposition
EWP	Employee Wellness Programme
FSSC	Food Safety Systems Certification
GHG	Greenhouse Gas
GLP	Good Laboratory Practice
HR	Human Resources
IAF	International Accreditation Forum
ICT	Information and Communications Technology
IEC	International Electrotechnical Commission
ILAC	International Laboratory Accreditation Cooperation
ISO	International Organization for Standardization
IT	Information Technology
KENAS	Kenya Accreditation Services
KTD	Knowledge Transfer Department
MoU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NLA-SA	National Laboratory Association South Africa
NRCS	National Regulator for Compulsory Specifications
OECD	Organisation for Economic Co-operation and Development
PAQI	Pan-African Quality Infrastructure
PDIs	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
POCT	Point of Care Testing
POPIA	Protection of Personal Information Act
PPPFA	Preferential Procurement Policy Framework Act
PT	Proficiency Testing
QMS	Quality Management System
RMs	Reference Materials
RMP	Reference Material Producers
SAAMA	South African Asset Management Association
SADC	Southern African Development Community
SADCA	Southern African Development Community Cooperation in Accreditation
SADCAS	Southern African Development Community Accreditation Services
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SCM	Supply Chain Management
SEDA	Small Enterprise Development Agency
SMMEs	Small, Medium and Micro Enterprises
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
the dtic	The Department of Trade, Industry and Competition
VLC	Virtual Live Course
WTO	World Trade Organization

FOREWORD BY THE MINISTER

I hereby table the Annual Report of the South African National Accreditation System (SANAS) for the 2024/25 financial year. The Report sets out the performance information, governance report, human resources and financial information for the past financial year.

The report reflects the performance of SANAS in implementing its core mandate and related 2024/25 targets as outlined in their 2024/25 Annual Performance Plan. Such targets are focused on provide an internationally recognised and effective accreditation service that supports Government's policy objectives, as well as initiatives to revitalise the economy in order to support the needs of the enterprises competing in a fast-paced global economy.

Given its mandate, SANAS has a role to play in specific outputs, through its core work of fostering trust that South African products and services' have been tested, inspected, or certified by competent conformity assessment bodies. This accreditation ensures that testing, inspection, and certification of goods and services meet established standards, facilitating their acceptance both domestically and internationally.

I take this opportunity to thank the Board as well as the management and staff of SANAS for the work done in the past year.

Mr. Parks Tau
Minister of Trade, Industry and Competition
30/09/2025

STATEMENT BY THE DEPUTY MINISTER

Through the implementation of its identified outcomes and targets, through-out the 2024/25 financial year, SANAS continued its contribution to economic development by providing an internationally recognised accreditation service that supports the government's policy objectives related to regional integration, health, safety and environmental protection.

SANAS has a very strategic mandate focused on providing an internationally recognised and effective accreditation and monitoring system for the country which is aimed at supporting the needs of the enterprises competing in a fast-paced global economy.

Over the reporting period, SANAS has, through the implementation of its 2024/25 Annual Performance Plan, contributed to three broad outcomes namely: (1) Competitiveness of South Africa's enterprises, (2) Government achieving policy objectives (Regional integration health, safety & environment) and (3) Organisational Sustainability. Through such identified outcomes, SANAS has contributed to the priorities outlined in the Medium Terms Development Plan (MTDP) with specific reference to contributions to the three Strategic priorities namely: (1) Inclusive growth and job creation, (2) Reduce poverty and tackle the high cost of living and (3) A capable, ethical and developmental state.

At a time when the country faces a challenging economic environment, the work of SANAS helps create the conditions for sustained growth given that accreditation plays a crucial role in fostering economic growth by promoting competitiveness, facilitating trade, and supporting regulatory compliance, ultimately contributing to a more robust and inclusive economy.

I look forward to working closely with SANAS as it fulfils its critical role in creating a fair, prosperous and inclusive South African economy.

Mr Zuko Godlimpi
Deputy Minister of Trade, Industry and Competition

FOREWORD BY THE CHAIRPERSON

The South African National Accreditation System (SANAS) is a Schedule 3A Public Entity mandated to provide internationally recognised and effective accreditation services in support of government policy objectives. In addition, SANAS implements initiatives aimed at revitalising the economy by supporting the growth and competitiveness of South African enterprises in an increasingly dynamic global marketplace.

OVERVIEW OF SANAS STRATEGY AND PERFORMANCE

In the 2024/25 financial year, SANAS focused on contributing to the competitiveness of South African enterprises and supporting Government in achieving its policy objectives, particularly in the areas of regional integration, health, safety and the environment, while also ensuring the long-term sustainability of the organisation. During this period, SANAS achieved 16 out of 18 planned APP targets, resulting in an overall performance of 89%, with five targets being exceeded.

STRATEGIC RELATIONSHIPS

As a signatory to the International Laboratory Accreditation Cooperation (ILAC), Mutual Recognition Arrangement (MRA), and the International Accreditation Forum (IAF), Multi-Lateral Arrangement (MLA), SANAS is an internationally recognised accreditation body. ILAC and IAF attests to the competence of SANAS and its accredited Conformity Assessment Bodies (CABs) across global economies.

SANAS has in place Memorandums of Agreements with the African Accreditation Cooperation (AFRAC), the Southern African Development Community Cooperation in Accreditation (SADCA) and the National Laboratory Association South Africa (NLA-SA) to formalise their strategic relationships and partnerships.

Furthermore, given that SANAS is focused on supporting Government's policy objectives related to economic development, it has signed Memorandums of Understanding (MoU's) with various regulators that use, or aspire to use, accreditation to reduce risk in the sectors that they regulate. The demand for accreditation from regulators is rising both in South Africa and globally, given the value add brought through accreditation within the regulatory domain.

CHALLENGES FACED BY THE BOARD

During the reporting period, the former Board of Directors exercised its fiduciary and oversight responsibilities over SANAS. When the term of the previous Board ended on 30 November 2023, the dtic implemented several short-term extensions while finalising the appointment of a new Board. These extensions remained in place through the latest Boards term, which ended 30 June 2025. The new Board, appointed from 1 July 2025 for a five-year term, will bring additional stability and ensure business continuity for the entity.

STRATEGIC FOCUS OVER THE MEDIUM- TO LONG-TERM

In alignment with the priorities of the 7th Administration, SANAS developed its 2025-2030 Strategic Plan and 2025/26 Annual Performance Plan (APP), aligned to the Medium-Term Development Plan (MTDP). The SANAS strategy ensures alignment and contribution to the MTDP with specific reference to the three Strategic priorities namely: (1) Inclusive growth and job creation, (2) Reduction of poverty and tackling the high cost of living and, (3) A capable, ethical and developmental state.

Over the medium term, SANAS will focus on the implementation of its five-year Strategic Plan, which covers the period 2025/26 to 2029/30. The plan outlines SANAS' 5-year Impact Statement of "Increased Trade Competitiveness, Improved Health, Safety and the Environment" while articulating 5 key Outcomes namely: (1) Competitiveness of South Africa's enterprises, (2) Government achieving policy objectives, specifically regional integration health, safety and the environment, (3) Organisational sustainability, and (4) Contribution to government's developmental and transformational agenda. Through implementation of its strategy, SANAS will focus on the implementation of its mandate to provide an internationally recognised accreditation service aimed at the economic growth of the country.

SANAS will continue to support and contribute to the priority outcomes of Government through the provision of services as specified in the Accreditation for Conformity Assessment, Calibration, and Good Laboratory Practice Act, Act 19 of 2006. In this way, the organisation will contribute towards the achievement of the strategic priorities defined by the dtic.

ACKNOWLEDGEMENT

As the Chairperson of the newly appointed SANAS Board of Directors, I would like to express my heartfelt gratitude to the former Board members, SANAS employees, management and stakeholders for their contribution towards the entity's success.

I am further grateful to my fellow Board members for allowing me to lead SANAS going forward and I appreciate their dedication and devotion. A special thanks to Mr Parks Tau, the Minister of Trade, Industry, and Competition, as well as the dtic staff who contributed to the success of SANAS during the period under review.

Dr Tshenge Demana
Chairperson of the Board

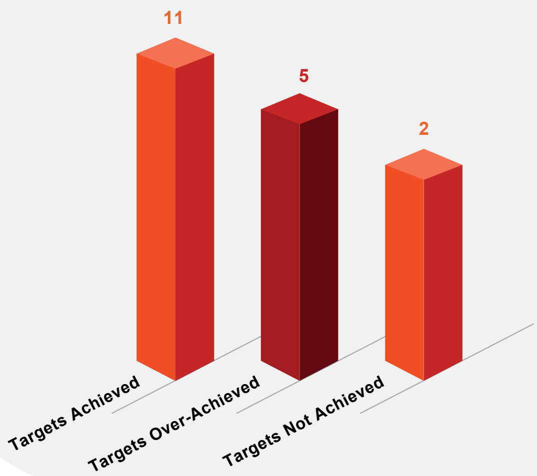
CHIEF EXECUTIVE OFFICER'S OVERVIEW

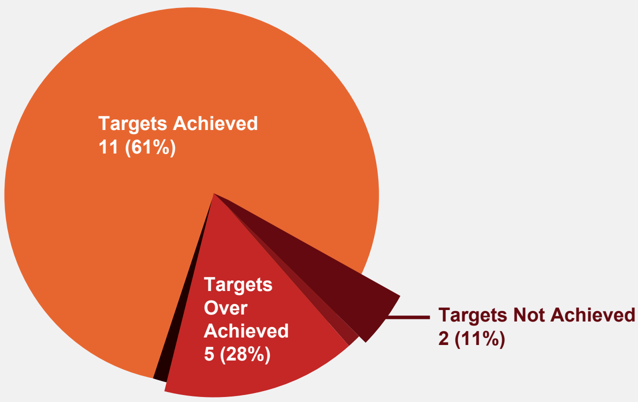
SANAS is a Schedule 3A Public Entity as listed in terms of the Public Finance Management Act of South Africa, 1999 (Act 1 of 1999) (PFMA) as amended. As the sole accreditation body for conformity assessment recognised by the Government in South Africa, SANAS verifies and promotes the competence of its accredited CABs nationally, regionally, and internationally against a specific schedule of activities. SANAS has successfully concluded several Mutual Recognition Arrangements in this regard, thus rendering certificates issued by accredited CABs internationally recognised.

SANAS is guided by the principles of the founding legislation promulgated by the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act of South Africa, 2006 (Act No.19 of 2006) (Accreditation Act) as of 1 May 2007. The statutory duties, responsibilities and liabilities are imposed on the Accounting Authority by the PFMA.

PERFORMANCE OVERVIEW

During the 2024/25 financial year, SANAS committed to advancing 18 APP targets. As of 31 March 2025, 16 of 18 targets were achieved, resulting in an overall performance of 89%, with five targets exceeded, as illustrated in the graphs below:





The table below provides a summary the organisation's performance across the four SANAS Programmes:

Programme	Number of Annual Targets	Performance against APP Annual Targets as of 31 March 2025	Performance Results
Administration	5	Achieved: 2 Over-Achieved: 2 Not Achieved: 1*	80%
Corporate Services	3	Achieved: 3 Over-Achieved: 0 Not Achieved: 0	100%
Strategy and Development	4	Achieved: 4 Over-Achieved: 0 Not Achieved: 0	100%
Accreditation	6	Achieved: 2 Over-Achieved: 3 Not Achieved: 1**	83%
Total	**18**	**Achieved / Over-achieved 16 out of 18 annual targets**	**89%**

*Target not achieved: All eligible payments processed within an average of 19 days

**Target not achieved: Three accreditation applications processed for SAPS Forensic Science Laboratories

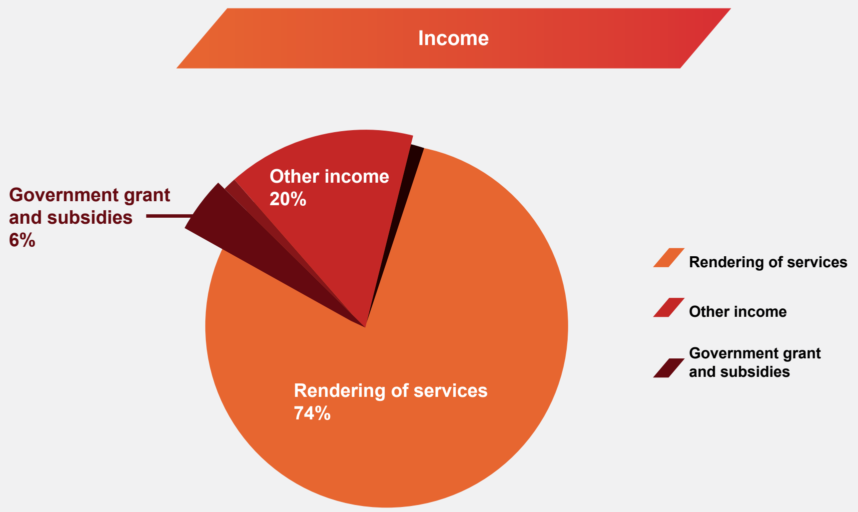
By achieving its targets, SANAS contributes to the following outcomes as reflected in its 2020-2025 Strategic Plan: (i) Competitiveness of South Africa's enterprises, (ii) Government achieving its policy objectives with specific reference to regional integration, health, safety and the environment, and (iii) Sustainability of the organisation.

FINANCIAL REVIEW

INCOME

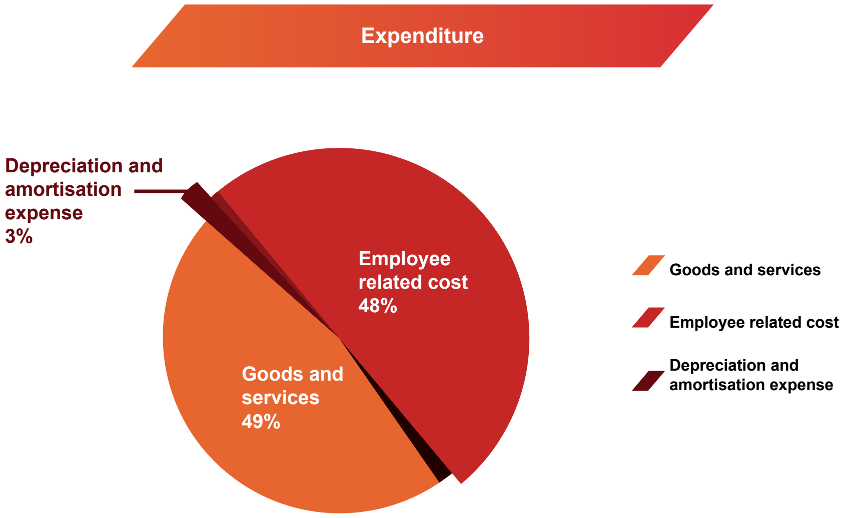
Economic conditions remained difficult in South Africa throughout the reporting period. Withdrawals of accreditation, owing in part to difficult financial circumstances, remains a key area for SANAS to manage. Despite this challenge, SANAS's services revenue increased by 9% to R164 million (2024/25) from R150 million (2023/24).

SANAS' income is derived from fees charged for accreditation services, the government grant, training services and projects. The largest contributor to SANAS' income for 2024/25 was the fees collected for accreditation services, training services and projects, at 74%, followed by the government grant at 20% and other income at 6%, which includes investment income.



EXPENSES

The focus of expenditure remained on accreditation services, which is the core function of SANAS. The bulk of expenditure relates to employee costs, assessor costs, travel, and accommodation. For the 2024/25 financial year, variable costs that relate directly to accreditation activity, such as travel and assessor costs, increased in line with the growth of CAB's. The graph below summarises SANAS expenditure for the 2024/25 financial year:



In 2024/25, 48% of expenditure was attributable to employee-related costs and 49% of expenditure to goods and services - with a major portion of these expenses related to accreditation assessors and travel costs. The remaining balance of 3% is made up of depreciation and amortisation and the transfer payment.

The overall financial health of the entity was still assessed to be good as the total assets exceeded the total liabilities by a ratio of seven to one.

DISCONTINUED ACTIVITIES

No programmes were discontinued during the period under review.

REQUESTS FOR ROLL-OVER OF FUNDS

As per Section 53(3) of the PFMA, SANAS, as a Schedule 3A Public Entity, may not accumulate surpluses without the prior written approval of the National Treasury. SANAS therefore submitted a request to the National Treasury, in terms of National Treasury Instruction No. 12 of 2020/21, to retain a surplus of R72 million from the 2023/24 financial year. This request was approved.

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) Unit resides within the Finance Unit at SANAS and consists of a Procurement Officer, Supply Chain Administrator, and an Intern. SANAS meets all the compliance requirements of the PFMA, Treasury Regulations, Preferential Procurement Policy Framework Act (PPPFA) and National Treasury Instruction Notes. In the 2021/22 financial year the Preferential Procurement Regulations, 2017 were deemed to be invalid by the Constitutional Court. New Preferential Procurement Regulations 2022 were introduced by the National Treasury which came into effect on 16 January 2023.

SANAS has an updated SCM policy, which was approved by the Board of Directors. SANAS is implementing the revised SCM Policy and related procedures to align with the Preferential Procurement Regulations 2022.

AUDIT REPORT MATTERS

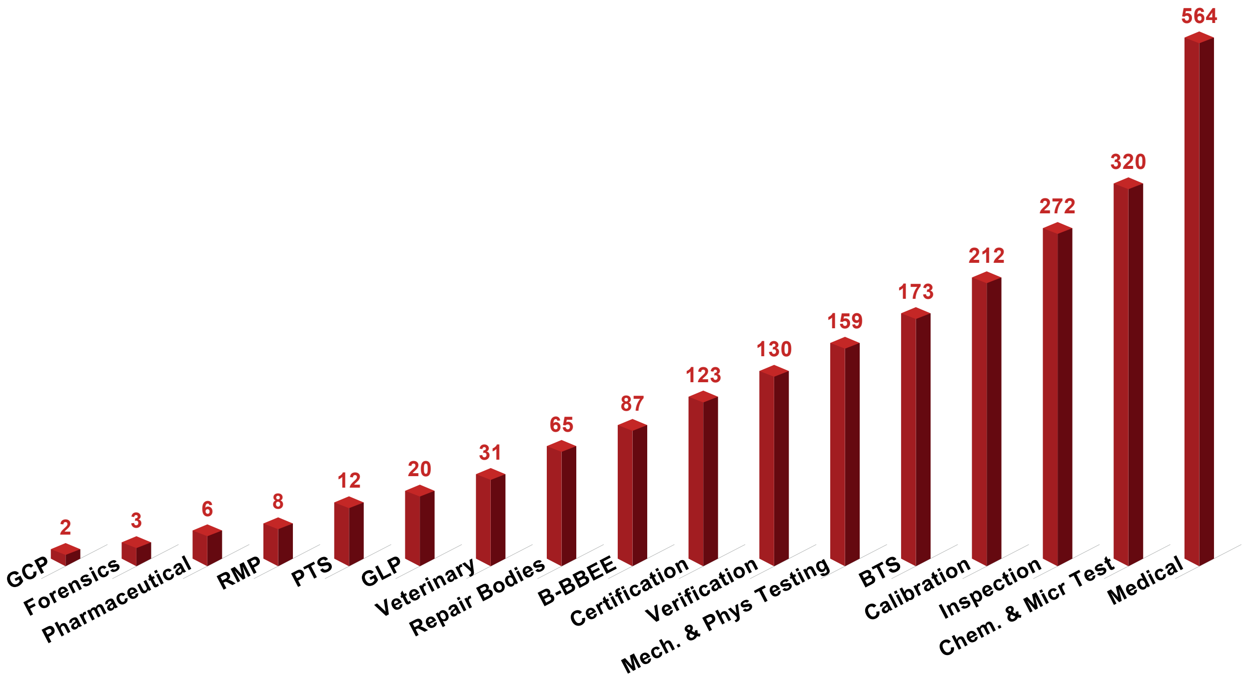
For the 2023/2024 financial year, the external auditors, Lunika Chartered Accountants and Auditors Inc., provided SANAS with an unqualified audit opinion. An audit action plan had been developed from the previous audit to deal with the findings raised in the management report. As of 31 March 2025, all actions were completed.

ADDRESSING FINANCIAL CHALLENGES

In 2024/25, 80% of SANAS' income was derived from internally generated funds which includes fees charged to Conformity Assessment Bodies (CABs). Due to the tough economic climate, withdrawals of accreditation by accredited CABs remain a key risk to SANAS's revenue generation. On a net basis, SANAS continued to increase the total number of CABs to 2 187 by the end of the 2024/25 financial year and consequently the revenue estimated for the year was realised and surpassed. Given this positive trend, it is likely that the revenue targets of SANAS will also be realised in the future.

In addition, SANAS continues to implement cost containment measures regarding travel costs. Further areas for possible automation are being identified where process improvements could help to ensure that accreditation remains a financially viable business. The graph below indicates the increase, as reported.

Accredited CABs as of 31 March 2025



Total: 2 187

EVENTS AFTER THE REPORTING DATE

A new Board of Directors was appointed on 01 July 2025.

FINANCIAL VIABILITY

The financial statements of SANAS were prepared based on accounting policies applicable to a going concern. This basis assumes 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.

ACKNOWLEDGEMENTS

As the Acting CEO, I would like to extend my sincere appreciation to our dedicated staff, management team, executives, stakeholders, and the Board of Directors for their invaluable contributions to the success of our organisation during the 2024/25 financial year. Your unwavering commitment and hard work in driving the implementation of our Annual Performance Plan (APP) targets have been central to the progress we have achieved.

While we take pride in these accomplishments, we also recognise the importance of continuous improvement — particularly in the automation of critical business processes to enhance the efficiency and impact of our service delivery.

Looking ahead, I am confident that, through our collective efforts, we will continue to build on this momentum and advance our strategic objectives in a sustainable and meaningful way.

Lastly, I would like to express my sincere gratitude to our shareholder, the Department of Trade, Industry and Competition (the dtic), for its ongoing support and collaboration throughout the financial year.

Mr Farhad Osman
Acting Chief Executive Officer
Date: 29 August 2025

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF 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 External Auditors.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report was prepared in accordance with the guidelines on annual reports, as issued by National Treasury.
- The Annual Financial Statements (Part F) were prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards 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 that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year that ended on 31 March 2025.

Yours faithfully,

Dr Tshenge Demana
Chairperson of the Board
Date: 29 August 2025

Mr Farhad Osman
Acting Chief Executive Officer
Date: 29 August 2025

6. STRATEGIC OVERVIEW

During the development of the 2025-2030 Strategic Plan, SANAS revised its Vision, Mission and Core Values, aligning them more closely with the SANAS mandate, government's objectives and SANAS' future aspirations.

VISION

Ensuring Excellence and Trust through Accreditation.

MISSION

To provide an internationally recognised national accreditation system in support of public policy objectives.

VALUES

TRUST	Building and maintaining trust with stakeholders through ethical behaviour and integrity remains a cornerstone of SANAS's values, supporting the government's vision of honesty and reliability in public service.
EXCELLENCE	SANAS seeks excellence by cultivating a dedicated workforce committed to personal and organisational growth, embodying the government's pursuit of excellence in the public sector.
ACCOUNTABILITY	SANAS reinforces its commitment to accountability by ensuring that every employee is dedicated to upholding standards and taking responsibility for their actions, which mirrors the government's emphasis on accountability. Furthermore, SANAS commits to ensure that its business practices and operations align with relevant sustainability and ethical issues while also taking into consideration Environmental, Social and Governance factors.
INNOVATION	Through fostering a culture of innovation, SANAS aims to achieve outstanding results and continuously improve processes, aligning with national objectives for a competitive and progressive future.
TRANSPARENCY	SANAS emphasises its commitment to clear and open communication, ensuring that actions and decisions are transparent, reflecting the government's focus on responsible governance.

7. LEGISLATIVE MANDATE

SANAS is classified as a Schedule 3A public entity in terms of the Public Finance Management Act (PFMA) (Act No. 29 of 1999). It is established under the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006).

MANDATE

SANAS is the sole national accreditation body, established to provide an internationally recognised and effective accreditation and monitoring system for the Republic of South Africa by:

- Accrediting or monitoring, for Good Laboratory Practice (GLP) compliance, organisations falling within its scope of activity;
- Promoting accreditation to facilitate international trade and to enhance South Africa's economic performance and transformation;
- Promoting the competence and equivalence of accredited bodies; and
- Promoting the competence and equivalence of GLP-compliant facilities.

CORE FUNCTIONS

The Accreditation Act empowers SANAS to perform the following functions:

- Promote the entity as the sole national accreditation body and its scope of activity;
- Encourage and promote the accreditation of calibration, testing and verification laboratories, certification bodies, inspection bodies, rating agencies, and any other type of body that may be added to its scope of activity;
- Encourage and promote GLP compliance with principles adopted by the Organisation for Economic Cooperation and Development (OECD) for GLP facilities;
- Promote the acceptance of its activities and those of all bodies accredited by SANAS or its international counterparts;
- Promote the recognition of accredited bodies by users of conformity assessments;
- Liaise with regional and international standards bodies, and with technical regulatory and metrology organisations, on any matter regarding related accreditation;
- Liaise with national regulators on any matter regarding related accreditation;
- Promote the use of accredited bodies to facilitate trade;
- Advise national, regional, and international organisations on conditions for accreditation, and on other issues related to accreditation;
- Establish and maintain a register of all accredited organisations in South Africa;
- Initiate, negotiate, conclude, and maintain MRAs and MLAs;
- Support Government's activities on MRAs;
- Obtain and maintain membership of national or international organisations that may assist SANAS in achieving its objectives, and actively participate in such organisations;
- Participate in formulating international and regional guidelines and standards to facilitate the accreditation process;
- Formulate and implement national guidelines and standards to facilitate the accreditation process;
- Promote recognition and protect the use of the SANAS logo nationally and internationally;
- Promote and protect regional and international arrangement logos, like those of the ILAC and the International Accreditation Forum (IAF);
- Establish appropriate technical committees; and
- Investigate methods of facilitating trade through accreditation.

8. ORGANISATIONAL STRUCTURE

SANAS' structure reflects the collective accountability and responsibilities for good governance. At the apex of the structure is the Minister of Trade, Industry and Competition as the Executive Authority. The Minister's oversight role includes the appointment of the Board of Directors.

8.1 GOVERNANCE STRUCTURE

Mr Parks Tau
Minister: Trade, Industry and Competition

Mr Zuka Godimpi
Deputy Minister: Trade, Industry and Competition

Dr Tshengedzeni Demana
Chairperson

Ms Lebogang Amelia Matlala
Chairperson of ARC

Ms Nomvula Pamella Mhlari
Chairperson of HRRC

Mr Farhad Osman
Acting CEO

Mr Mpho Phaloane
Executive: Accreditation

Mr Farhad Osman
Executive: Strategy & Development

Ms Busi Radebe
Executive: Corporate Services

Mr Jonas Shai
Chief Financial Officer

8.2 BOARD OF DIRECTORS

Dr Tshengedzeni Demana
Chairperson

Ms Lebogang Amelia Matlala
Chairperson of ARC

Dr Pulane Molokwane
Chairperson: ICT Strategy Sub-Commitee

Ms Nomvula Pamella Mhlari
Chairperson of HRRC

Dr Dharmarai Naicker
Board Member

Mr Bruce Gordon
Board Member

Dr Nandi Malumbazo
Board Member

Ms Silindile Ndwandwe
Board Member

Mr John Mazibuko
Board Member

Ms Anele Vutha
Board Member

Ms Nolitha Ntobongwana
Board Member

Mr Farhad Osman
Acting CEO

Mr Jonas Shai
Chief Financial Officer

PART B

PERFORMANCE INFORMATION

1. EXTERNAL AUDITOR'S REPORT ON PRE-DETERMINED OBJECTIVES

The external auditors, Lunika Chartered Accountants and Auditors Inc. performed the required audit procedures for this Annual Report. The outcome of this audit is captured in Part F (Annual Financial Statements), which can be found on page 94.

2. OVERVIEW OF SANAS PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

SANAS plays a key role in supporting the health and safety of the public and the protection of the environment, while providing confidence in conformity assessment results through the provision of accreditation services. This facilitates the mutual acceptance of results, which underpins the national, regional and international acceptance of goods and services produced in South Africa.

In delivering its services, SANAS is impacted by developments in the economic environment, both nationally and regionally. SANAS plays a strategic role in economic development and in advancing key government objectives, as well as private sector demands which informs the national demand for accreditation.

2.1.1 GLOBAL TRENDS

Accreditation of conformance assessment bodies is crucial to ensure products, services, and processes meet specified standards and regulations. Global trends in the field of accreditation, reflect the evolving landscape across sectors and economies. These trends are driven by innovation, global trade, regulatory needs, and sustainability imperatives, and they affect how conformity assessment bodies, such as testing labs, certification bodies, and inspection agencies, operate under internationally recognised frameworks like ILAC and IAF.

According to ILAC and IAF Sources (2025 World Accreditation Day Resources), the following global trends are shaping the landscape of accreditation:

- **Regulatory Integration and Market Access:** There is a growing trend to ensure closer alignment between regulators and accreditation bodies, particularly in health, food safety, and cybersecurity. Governments increasingly rely on accredited conformity assessment for market surveillance, product safety, and public trust.

- **Expansion into Emerging and High-Risk Sectors:** The development of new schemes in emerging technologies and critical infrastructure sectors is increasingly prevalent. This trend is driven by rapid technological evolution, risk mitigation, and AI governance. As a result, there is an increase in the level of accreditation, for the following: blockchain verification, cybersecurity testing and auditing and forensic laboratories and biosecurity.

- **International Standards Harmonisation:** There is a growing global movement toward the harmonisation of accreditation standards, driven by the need for consistency, reliability, and mutual recognition across international borders. In an increasingly interconnected global economy, businesses, regulators, and consumers demand assurance that products, services, and systems meet universally accepted benchmarks for quality, safety, and performance.

  This harmonisation process is primarily facilitated by international organisations such as the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF). SANAS, through its existing MRAs and MLAs, ensures that conformity assessments—such as testing, inspection, and certification—conducted in South Africa are accepted in other countries, thus facilitating trade and increasing trust and credibility.

- **Expanding Scope:** In response to evolving global priorities and emerging risks, accreditation bodies are increasingly broadening their scope beyond traditional domains to encompass a wide array of newer, complex fields. This strategic development, often referred to as horizontal growth, reflects the accreditation community's commitment to staying relevant and responsive to societal, technological, and regulatory changes. In recent years, SANAS has experienced such horizontal growth over various accreditation programmes.

- **Digital Transformation:** The field of accreditation is undergoing a profound shift driven by digital transformation, which is reshaping how accreditation bodies operate, how conformity assessment bodies (CABs) are evaluated, and how stakeholders access and trust accredited services. This transformation is not merely about adopting new technologies—it represents a fundamental rethinking of processes, communication, oversight, and value delivery in a digital-first world. SANAS is in the process of implementing its Digital Transformation Strategy focused on various functional areas including its core business of accreditation.

- **Risk-Based Approaches:** There's a shift from compliance-based to risk-based and performance/outcome-based accreditation models, focusing resources on areas with the highest impact on safety, quality, and compliance. This approach allows for more targeted assessments and resource allocation. This has taken prominence since it was called for in ISO/IEC version 17011:2017.

- **Globalisation of Supply Chains:** With the globalisation of supply chains, there is a growing demand for accredited conformity assessment services to ensure products meet regulatory requirements across multiple markets. Accreditation facilitates market access and promotes international trade.

- **Specialised Accreditation Schemes:** There is a rise in specialised accreditation schemes tailored to specific industries or sectors, such as medical laboratories, food safety, environmental management, information security and the verification and validation of greenhouse gases, among others.

- **Emphasis on Competence and Impartiality:** Accreditation bodies are placing greater emphasis on the competence and impartiality of conformity assessment bodies. This includes ensuring that assessors are adequately trained and competent to assess the specific technical areas.

- **Recognition of Remote Assessment Methods:** The use of digital tools and platforms to conduct remote assessments and audits has become increasingly standard, accelerated by the COVID-19 pandemic. While initially driven by necessity, these methods are likely to remain part of future accreditation processes due to their efficiency and flexibility. ILAC and IAF have developed guidance for remote evaluations, allowing flexibility while maintaining rigour and trust.

- **Focus on Continuous Improvement:** Accreditation bodies are promoting a culture of continuous improvement among conformity assessment bodies. This encourages them to regularly review and enhance their processes to maintain accreditation status.

- **Sustainability and Social Responsibility:** There is a growing demand for accreditation in areas related to environmental, social, and governance (ESG) criteria. ILAC and IAF are supporting the development of schemes for sustainability reporting, carbon footprint verification, and circular economy assessments which includes considerations for environmental impact, ethical sourcing, and social accountability throughout the conformity assessment processes.

These trends reflect the evolving nature of accreditation to address new challenges and opportunities to ensure the quality, safety, and compliance of products and services in an increasingly interconnected global economy. Moreover, governments have embraced accreditation as a mandatory activity in many regulated areas, because of the benefits accreditation that brings to help governments meet their responsibilities and safeguard the public.

2.1.2 REGIONAL TRENDS

In Africa, the accreditation of Conformity Assessment Bodies (CABs), including laboratories, inspection bodies, and certification agencies, are undergoing a significant evolution, shaped by regional integration efforts, economic priorities, and public health imperatives. At the core of this transformation is the development of a strong Regional Quality Infrastructure (RQI), supported by institutions like AFRAC, ARSO, and AFRIMETS. These bodies are fostering technical cooperation and institutional alignment across the continent.

The implementation of the African Continental Free Trade Area (AfCFTA) has accelerated the demand for harmonised accreditation frameworks to eliminate technical barriers to trade. As countries work to recognise conformity assessment results across borders, accreditation is becoming a crucial enabler for product quality and market access. Health crises such as COVID-19 and ongoing concerns about food safety have further highlighted the importance of accredited laboratories in public health and agriculture. This has led to the expansion of ISO 15189 and ISO/IEC 17025 accreditations to meet both domestic and export standards.

However, many African countries still face challenges due to underdeveloped or non-existent national accreditation bodies (NABs). This has led to reliance on more mature regional entities like SADCAS, which provide multi-economy accreditation services. Development partners, including the United Nations Industrial Development Organization (UNIDO) and PTB (Physikalisch-Technische Bundesanstalt) continue to play a vital role in bridging these gaps by supporting infrastructure, training, and capacity-building initiatives.

Moreover, there is growing demand for accreditation in trade-related sectors such as agriculture, textiles, and mining, driven by global market requirements. Regional efforts also include awareness campaigns to educate policymakers and businesses on the value of accreditation, and a gradual shift towards digitalisation, with some bodies piloting remote assessments.

Importantly, the region is embracing more inclusive approaches, with increasing emphasis on gender equity and youth participation in quality infrastructure. Together, these trends point to a continent steadily aligning with global accreditation standards while developing context-specific solutions to support trade, health, and sustainable development

Furthermore, according to IAF News (2025, May 30), Mutual Recognition Arrangements: A cornerstone under AfCFTA for SMEs and export growth, in Africa, the accreditation of conformance assessment bodies is influenced by several regional trends:

- **Promotion of Intra-African Trade:** Regional accreditation initiatives aim to promote intra-African trade by reducing technical barriers to trade and facilitating mutual recognition of conformity assessment results among African countries. This supports the implementation of regional trade agreements such as the AfCFTA.
- **Focus on Key Sectors:** Accreditation efforts in Africa often focus on key sectors such as agriculture, mining, manufacturing, and health care. These sectors are vital for economic growth and development and require robust conformity assessment systems to ensure quality, safety, and compliance with regulations.
- **Harmonisation Efforts:** There is also a push for harmonisation of accreditation standards and practices within regional blocs such as the African Union (AU) and regional economic communities like the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC). Harmonisation facilitates trade within the region and enhances the credibility of accredited bodies and the acceptance of results from accredited CABs.
- **Capacity Building Initiatives:** Many African countries are investing in capacity building initiatives to strengthen their accreditation infrastructure. This includes training programmes for assessors, technical experts, and accreditation body staff to ensure competence in the conducting of assessments and managing of accreditation processes.
- **Enhanced Market Access:** Accreditation is seen as a means to enhance market access for African products and services both within the continent and globally. Accredited conformity assessment bodies provide assurance of quality and compliance with standards, which is crucial to access international markets and attract foreign investment.
- **Alignment with International Standards:** African accreditation bodies are working to align their accreditation practices with international standards and best practices, including those developed by organisations like AFRAC, ILAC and IAF. This alignment enhances the credibility and acceptance of African accreditation within the global community.
- **Public-Private Partnerships:** Collaboration between public authorities, private sector stakeholders, and development partners is crucial for the advancement of accreditation initiatives in Africa. Public-private partnerships can help mobilise resources, share expertise, and promote the sustainability of accreditation systems.
- **Emphasis on Regional Collaboration:** African accreditation bodies recognise the importance of regional collaboration in advancing accreditation objectives. Initiatives such as joint assessments, information sharing, and mutual recognition agreements foster cooperation and contribute to the harmonisation of accreditation practices across the Continent.

These regional trends reflect the dynamic nature of accreditation in Africa and the ongoing efforts to build robust conformity assessment systems that contribute to sustainable development and regional integration. The non-acceptance of conformity assessment results is one of the Technical Barriers to Trade (TBT) that could potentially obstruct Africa's regional integration efforts. By ensuring that the required infrastructure and competence exist within Africa, much of these TBT's can be eliminated, thus allowing for the free flow of quality goods and services across borders.

SANAS, as the largest and oldest accreditation body on the African continent, is actively involved in expanding the global acceptance of, not only South Africa's, but the continent's conformity assessment results globally. This is done through SANAS' active involvement and influence in the regional accreditation cooperation infrastructures, such as the Southern African Development Community Cooperation in Accreditation (SADCA) and the African Accreditation Cooperation (AFRAC).

2.1.3 THE AFRICAN CONTINENTAL FREE TRADE AREA (AFCFTA)

The AfCFTA is a trade agreement that came into force on 30th May 2019, creating the world's largest free trade area. The AfCFTA implements Africa Agenda 2063 on deepening the economic integration of the African Continent. It seeks to establish a single liberalised market for goods and services, facilitated by movement of people and investments, and create a continental customs union to streamline trade, and attract long-term investment.

To operationalise the AfCFTA, a Protocol on Trade in Goods is established consisting of general obligations and accompanying Annexes. The objective of the Protocol on Trade in Goods is to progressively eliminate tariffs and non-tariff barriers, enhance the efficiency of customs procedures, enhance cooperation in the areas of TBT and sanitary and phytosanitary measures, and encourage trade facilitation and transit.

Part VI of the Protocol on Trade in Goods and the related Annexes identifies accreditation and conformity assessment procedures as a source of non-tariff barriers and consequently incorporated them in, Article 20 and Annex 6 on TBT; and Article 21 and Annex 7 on Sanitary and Phytosanitary Measures (SPS).

Annex 6 of the Protocol on Trade in Goods is set out to implement the provisions of Article 20 (Technical Barriers to Trade) of the Protocol on Trade in Goods. Annex 6 confirms that the World Trade Organization (WTO) TBT Agreement forms the basis for the Annex, and as such fully adopts the WTO TBT Agreement by reference.

Annex 7 of the Protocol on Trade in Goods deals with SPS and incorporates WTO SPS agreement by reference, and subordinates State Parties to other key international agreements, notably concerning the designation of disease-free regions within their territories.

SANAS contributes to the realisation of the AfCFTA on the Protocol on Trade in Goods, through the various initiatives including but not limited to conducting accreditation within identified catalytic sectors, supporting Small, Medium and Micro-Enterprises (SMMEs) in meeting AfCFTA standards through accreditation, while increasing relevant schemes to further support regional trade and economic development.

2.1.4 NATIONAL TRENDS

In South Africa, accreditation plays a pivotal role in ensuring the quality and competence of conformity assessment bodies (CABs), including laboratories, inspection bodies, and certification agencies. The South African National Accreditation System (SANAS) serves as the sole national accreditation body, aligning its efforts with national development goals and international standards.

Key National Trends in Accreditation:

- **Alignment with National Development Goals:**
  SANAS's strategic objectives are closely tied to South Africa's National Development Plan (NDP) and the Medium Term Development Plan (MTDP). By providing internationally recognised accreditation services, SANAS supports industrialisation, job creation, and economic transformation initiatives.

- **Support for Public Health and Safety:**
  Accreditation has become increasingly important in public health sectors, especially in response to global health challenges. SANAS has expanded its accreditation services to medical laboratories and health institutions, ensuring compliance with international health standards and enhancing the country's healthcare system.

- **Enhancement of Trade Facilitation:**
  Accreditation is instrumental in facilitating trade by ensuring that South African products and services meet international standards. SANAS's efforts in accrediting CABs contribute to reducing TBT, thereby promoting exports and economic growth.

- **Capacity Building and Technical Competence:**
  Recognising the need for skilled professionals in the accreditation field, SANAS invests in training and development programmes. These initiatives aim to enhance the technical competence of assessors and conformity assessment personnel, ensuring the reliability and credibility of accreditation services.

- **Digital Transformation and Innovation:**
  In response to technological advancements and the need for efficient service delivery, SANAS is exploring digital solutions to streamline accreditation processes. This includes the adoption of remote assessments and the development of digital platforms to enhance accessibility and efficiency.

- **Regional and International Collaboration:**
  SANAS actively participates in regional and international accreditation forums. These collaborations aim to harmonise accreditation practices, facilitate mutual recognition arrangements, and promote global trade integration.

Through these strategic initiatives, South Africa continues to strengthen its accreditation infrastructure, ensuring that conformity assessment services contribute effectively to national priorities and global competitiveness

Furthermore, the increase in the number of accredited CABs, year on year, demonstrates the growing demand for accreditation from the private sector. The increase in demand for accreditation within South Africa also highlights the value that industry places on obtaining accreditation and the positive impact thereof. There is a trend towards expanding the scope of accreditation to cover a wider range of conformity assessment activities and sectors, which is also based on industry needs.

There is a growing recognition of the importance of supporting SMMEs in accessing accreditation services. Initiatives such as capacity-building programmes, affordable fee structures and simplified accreditation processes help SMMEs comply with standards and regulations and compete in domestic and international markets. Collaboration between public sector agencies, private sector stakeholders, and industry associations is key to advancing accreditation objectives in South Africa. SANAS has numerous Memorandum of Agreements (MoAs) with key stakeholders that can help mobilise resources, share expertise, and promote the adoption of best practices.

South Africa recognises the importance of a robust quality infrastructure, which includes accreditation, standardisation, metrology, and conformity assessment. Efforts to promote quality infrastructure contribute to economic development, consumer protection, and public health and safety. Accreditation efforts in South Africa are aligned with the priorities of the NDP 2030, including job creation, economic transformation, and sustainable development. Accreditation supports these priorities by enhancing the competitiveness of South African products and services in domestic and international markets.

These national trends reflect South Africa's commitment to build a robust accreditation infrastructure that supports government to achieve its goals of protecting the health, safety and the environment, as well as initiatives to revive the economy, boost local industries and promote consumer confidence in the quality of products and services. SANAS' strategic role to lock in export markets and lock out unsafe, poor-quality goods and services as part of South Africa's technical infrastructure, continues to contribute to the achievement of South Africa's developmental goals.

2.1.5 ORGANISATIONAL ENVIRONMENT

During the 2024/25 financial year, SANAS undertook an organisational climate and culture survey which produced an overall score of 3.7 out of a possible 5. This score locates SANAS in the Top Company niche, while providing more information on what is working and what can be enhanced within SANAS specifically focusing on the dimensions that scored poorly.

Two dimensions; Communication & Inclusive Management and Rewards & Recognition are the lowest scoring dimensions, scoring 3.1 and 2.3, respectively. These dimensions suggestively require more attention to change the sentiments of employees. An Action Plan is currently being implemented to address and improve staff views in relation to the areas that require improvements.

Despite the poor economic growth experienced within the country, over the 2024/25 financial year, SANAS' customer base grew from 2 152 to 2 187 CABs. However, during the reporting period, SANAS also experienced the withdrawal of 94 CABs as compared to 62 withdrawals in the 2023/24 financial year. Withdrawals were largely due to financial challenges that impacted the facilities ability to maintain accreditation. This could result from factors such as declining business revenue, increased operational costs, or inadequate financial resources to sustain accreditation activities. SANAS has, therefore, adopted an initiative to increase accreditation fees by 1% below the Consumer Proce Index (CPI)—the accepted measure of inflation—to ensure that accreditation is more affordable and accessible to CABs, in particular smaller facilities.

As part of its revenue generating activities, SANAS Knowledge Transfer (KT) provides both contact courses and virtual live courses. During the period under review, SANAS continued with the implementation of a hybrid approach for its KT courses which enabled training through contact sessions, virtual live, and contact-virtual live hybrid platforms.

To optimise service delivery, SANAS continued implementing its Digital Transformation Strategy in the year under review. The aim is to automate identified business processes and systems while implementing cutting-edge equipment for staff, while protecting its ICT infrastructure from cybercrime, facilitating the continuation of the hybrid working arrangement. Furthermore, SANAS is enhancing the Shanduka system to automate the accreditation process, from application for accreditation to issuing the certificate of accreditation.

To address the scarcity of technical expertise in some specialised areas of accreditation, which can exert undue pressure for SANAS to provide cost-effective accreditation infrastructure, SANAS continues to roll out its long-term strategy of investing in tertiary education institutions. This is done through the provision of capacity building on accreditation through assessor training, internship, and bursary programmes to address skills shortages. As part of the transformation of the SANAS assessor pool, emphasis was placed on increasing the number of Black assessors by an additional 27 assessors during the reporting period.

In terms of its human resources SANAS was able to maintain an average vacancy rate of just 2,3% over the reporting period. However, the key position of the Chief Executive Officer (CEO) remains vacant. The appointment is envisaged to be done within the 2025/26 financial year. At the time of reporting, the Executive: Strategy and Development served as the Acting CEO. Furthermore, the term of the SANAS Board of Directors expired in November 2023. The shareholder implemented multiple extensions of the Board term which resulted in the new Board only being appointed on 01 July 2025.

2.1.6 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the reporting period, there were no major changes to relevant policies or legislation that affected the operations of SANAS.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

SANAS' accreditation services impact directly on CABs, industry sectors, and the economy by facilitating the national, regional, and international acceptance of test, inspection, and certification results. This lowers the risk of rejection of South African goods and services.

SANAS has built its strategy to contribute towards the following outcomes, as identified in its 2020-2025 Strategic Plan, which are aligned with the priorities of the dtic and, in turn, Government's strategic direction as outlined in the MTSF.

OUTCOME 1: COMPETITIVENESS OF SOUTH AFRICA'S ENTERPRISES

South African enterprises operate within a diverse and rapidly evolving economic landscape, shaped by a combination of global market dynamics, domestic policy frameworks, and complex socio-economic challenges. The competitive pressures faced by these businesses are not confined to local markets; they extend to the international arena, where South Africa must contend with both emerging and developed economies across a broad range of sectors, including manufacturing, ICT, financial services, and advanced logistics. This global competition underscores the importance of building a resilient, innovative, and adaptable industrial base capable of attracting foreign direct investment, driving exports, and fostering inclusive economic growth.

In this context, the South African National Accreditation System (SANAS) plays a pivotal role as one of the four core entities that constitute the country's technical infrastructure. SANAS is responsible for establishing and maintaining an internationally recognised, credible, and efficient accreditation system that underpins the competence and impartiality of CABs. By ensuring that testing, inspection, and certification services meet global standards, SANAS contributes directly to the international acceptance of South African goods and services, an essential enabler of cross-border trade and regulatory compliance.

Furthermore, SANAS supports the country's economic and industrial development by responding proactively to emerging needs. This includes the development of new accreditation programmes in strategically important and fast-growing areas such as renewable energy, cybersecurity, sustainability verification, and biotechnology. These programmes are designed not only to enhance the quality infrastructure but also to align with broader government objectives, such as those outlined in the Industrial Policy Action Plan (IPAP), the Economic Reconstruction and Recovery Plan (ERRP), and the NDP.

By fostering a culture of quality, trust, and international credibility, SANAS plays a strategic role in enhancing the competitiveness of South African enterprises. In doing so, it helps position the country as a capable and trusted trading partner, while simultaneously supporting national efforts to drive innovation, stimulate job creation, and promote sustainable economic transformation.

In fulfilling its responsibility to manage the accreditation of new and existing clients in terms of legislation and international good practice and ensure that accredited organisation's services are available to the South African industry and regulators, SANAS increased the number of accredited organisations, from 2 152 to 2 187 CABs by the end of the 2024/25 financial year. During the reporting period, SANAS accredited an additional 127 CAB—32 more than the set annual target of accrediting 95 additional CABs.

To reduce red tape and improve turnaround times, SANAS achieved an average turnaround time of 13 working days to issue certificates and scopes of accreditation, after completion of the approvals process. This achievement is attributed to the continued implementation of improvement measures regarding turnaround times on certificates as well as the continuous monitoring of the process.

To reduce barriers to entry through maintaining low costs of accreditation, SANAS has ensured that the increase in accreditation fees is less than 1% below CPI, with an increase of only 3% implemented for the 2025/26 financial year. Lower accreditation fees will ensure that accreditation is more affordable and accessible, specifically for smaller facilities and SMMEs.

OUTCOME 2: GOVERNMENT ACHIEVING POLICY OBJECTIVES FOCUSED ON REGIONAL INTEGRATION, HEALTH, SAFETY AND THE ENVIRONMENT

The South African government is actively advancing policy objectives aimed at strengthening regional integration, alongside priorities in health, safety, and environmental protection. These efforts are grounded in the recognition that deeper regional cooperation within the African continent is vital for promoting economic development, political stability, and inclusive growth. By fostering interconnected markets and harmonised regulatory frameworks, regional integration enhances Africa's collective ability to compete in the global economy while supporting sustainable development goals.

Within this broader national and continental agenda, the South African National Accreditation System (SANAS) plays a strategic role. SANAS' active participation in the highest global and regional accreditation structures, including the International Laboratory Accreditation Cooperation (ILAC), the International Accreditation Forum (IAF), the African Accreditation Cooperation (AFRAC), and the Southern African Development Community Cooperation in Accreditation (SADCA), reinforces its position as a globally respected and regionally influential accreditation body. Membership in these decision-making forums not only affirms SANAS' technical competence and integrity but also enables it to contribute meaningfully to the development and alignment of international accreditation standards.

The expansion of SANAS' scope of recognition, both in terms of its own capabilities and those of the CABs it accredits, is critical to supporting South Africa's trade and investment ambitions. By ensuring that accredited services are recognised across borders, particularly within key African markets, SANAS enhances the trustworthiness of South African goods and services. This reduces TBT and facilitates the smoother flow of products, services, and capital across the region and beyond.

Furthermore, SANAS' signatory status with ILAC and IAF, underpinned by its recognition through AFRAC and SADCA, provides a robust foundation for MRAs and MLAs. These arrangements are essential tools for enabling regulatory acceptance, reducing duplication of assessments, and ensuring consistent quality infrastructure across jurisdictions. The recognised regional cooperation bodies such as AFRAC and SADCA, work in close alignment with ILAC and IAF to ensure coherence between regional and global systems.

Through this integrated approach, SANAS not only strengthens South Africa's position within regional and global supply chains but also contributes to the broader African vision of a harmonised, competitive, and self-sustaining continental market, as articulated in frameworks such as the African Continental Free Trade Area (AfCFTA).

In the 2024/25 financial year, the strategic objective of the AFRAC Secretariat and the SADCA Secretariat, which are hosted by SANAS, was to support regional integration on matters of accreditation. This was measured through the respective Secretariat's Annual Performance Plans, of which all the planned key interventions related to both SADCA and AFRAC Secretariat functions were successfully implemented. AFRAC is part of the Pan-African Quality Infrastructure (PAQI) institutions recognised by the African Union Commission as the platform for accreditation and conformity assessment.

Developing new accreditation programmes plays a strategic and catalytic role in supporting regional integration and economic growth, especially in the context of dynamic, developing regions like Africa. New accreditation programmes aligned with regional and international standards enable mutual recognition of conformity assessment results, for examples testing, inspection, certification. This reduces or eliminates the need for re-testing or re-certification of products when they enter another country, thereby lowering trade barriers, reducing costs and delays for exporters, and enhancing the competitiveness of regional products. This is especially critical for the AfCFTA, which relies heavily on harmonised standards and infrastructure to function effectively.

During the 2024/25 financial year, as part of developing the Biobank Accreditation Programme, SANAS finalised the Biobank Feasibility Study Report following which the Biobank working group was established. Biobank accreditation programmes are designed to ensure that biobanks adhere to high standards of quality, safety, and ethical practices in the collection, storage, and distribution of biological samples and associated data. The accreditation programme will help to establish trust among researchers, clinicians, and the public, ensuring that biobanks meet rigorous criteria for the handling of biological specimens.

In assisting Government to achieve its policy objectives, during the 2024/25 financial year, SANAS contributed to the relevant output targets of the dtic through implementation of identified initiatives.

OUTCOME 3: ORGANISATIONAL SUSTAINABILITY

Organisational sustainability ensures an organisation's long-term viability, resilience, and relevance in a constantly changing environment. By balancing economic, social, and environmental responsibilities, sustainable organisations are better equipped to manage risk, enhance operational efficiency, build stakeholder trust, and seize new opportunities. Sustainability also strengthens an organisation's reputation, supports compliance with evolving regulations, and contributes positively to broader societal and environmental goals, making it a strategic imperative for lasting success and impact.

During the 2024/25 financial year, SANAS increased the number of accredited organisations, from 2 152 to 2 187 CABs, which resulted in higher than projected revenue. This growth in CABs resulted in SANAS achieving a ratio of 80:20 SANAS income relative to the government grant.

As part of transforming the SANAS assessor pool to represent the demographics of the country, during the period under review, 27 additional Black assessors were registered on the SANAS assessor database.

In terms of stakeholder engagements, SANAS rolled out all the planned activities within the approved Annual Stakeholder Engagement Plan. Moreover, SANAS achieved an average vacancy rate of 2,3% against the target vacancy rate of below 5%.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

Mr. Jonas Shai
Chief Financial Officer

Purpose

The purpose of this programme is to ensure that effective leadership, financial management, legal and administrative support continue to define the organisational strategy and structure, in compliance with the appropriate legislation and international best practices.

Description of the Programme

The sub-programmes that fall under this programme include Policy Development, Financial Management, Legal Services and the Company Secretary.

Policy Development

SANAS' Board of Directors, as its Accounting Authority, provides strategic direction in alignment with the Accreditation Act, the Strategic Plan and the Annual Performance Plan as submitted to the Minister of Trade, Industry and Competition as the Executive Authority. Through its CEO, and as delegated by the Accounting Authority, SANAS' management is responsible for the day-to-day implementation and control of the Entity's Strategic Plan and Annual Performance Plan.

Financial Management

The Financial Management Sub-Programme ensures that the Entity is compliant with the PFMA and Treasury Guidelines and all other relevant financial standards and regulations. The responsibilities and the functions of the Chief Financial Officer include, amongst others, overseeing the supply chain management function, the refinement of its managerial financial accounting systems, and advising the CEO on financial risk and risk control.

Ms. Angelique Brits
Business Manager

Ms. Elwina Daniels
Debtors Administrator

Mr. Mpho Morebe Mothlala
Creditors Administrator

Ms. Deborah Makama
Finance Temp

Ms. Zanele Ngwenya
Procurement Officer

Ms. Nkhesani Mathebula
Supply Chain Administrator: Procurement

Ms. Katlego Motsepe
Supply Chain/Procurement Temp

Legal Services

Internal legal services are provided by the Company Secretary by focusing on SANAS' contractual, litigious, operational and managerial matters. These services proactively ensure that the legal implications of proposed decisions are examined to mitigate future risks. The King IV Code and Report on Governance for South Africa, adopted by SANAS, has yielded success in resolving potentially litigious matters in an amicable manner that avoided protracted and costly litigation.

Mr. Dawood Petersen
Company Secretary/Legal Advisor

Company Secretary

The Company Secretary oversees corporate governance and assists the Board to adhere to sound corporate governance principles. The role includes providing Board members with training on their roles and responsibilities, guiding the Board on legislation, regulations and policies and providing the Board and its committees with secretariat services.

Mr. Liswe Ngetu
Risk Specialist

The key function of risk management is to systematically identify, assess, and address risks and opportunities to provide reasonable assurance that SANAS will successfully achieve its objectives. The Risk Management function involves a proactive, continuous process of identifying all potential internal and external risks that could prevent SANAS from achieving its planned outcomes. Based on the risk assessment, SANAS develops strategies and action plans to respond to identified risks.

Institutional Outcomes for Programme 1

- Organisational sustainability
- Competitiveness of South Africa's enterprises
- Government achieving their policy objectives with respect to health, safety, environment and regional integration

Programme: Accreditation								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Organisational sustainability	Reduced reliance on government funding	Percentage ratio of SANAS income versus government grants	75:25 SANAS income vs government grant	80:20 SANAS income vs government grant	80:20 SANAS income vs government grant	Annual Target Achieved 80:20 SANAS income vs government grant.	Not applicable	Not applicable
Competitiveness of South Africa's enterprises	Reduced barriers to entry through maintaining low costs of accreditation	Percentage increase of accreditation fees	New Indicator	New Indicator	Accreditation fees for 2025/26 FY increased by at least 1% below CPI*	Annual Target Achieved 2025/26 accreditation fees were increased by 3% whereas averaged inflation at the time was 4.6% for 2024.	Not applicable	Not applicable
Organisational sustainability	Increased payment efficiency	Average number of days to process eligible payments	Percentage of payments processed after 19 days was greater than 5%	The annual target was not achieved as more than 5% of eligible payments were processed after 19 days and there were payments made after 30 days.	All eligible payments processed within an average of 19 days	Annual Target Not Achieved All eligible payments, throughout the financial year, were processed within an average of 9.64 days. However, 10 payments were processed after 30 days.	10 payments processed after 30 days	The delays in payment of the 10 invoices ranged from partial completion of orders, change in personnel due to resignation as well as a technical error related to the Adobe Sign system.
Government achieving policy objectives (regional integration health, safety and the environment)	Acceptance of conformity assessment results	Percentage implementation of AFRAC Secretariat's Annual Performance Plan	100% of the AFRAC Secretariat's Annual Performance plan was implemented	100% (cumulative) of the AFRAC Secretariat's Annual Performance Plan was implemented	At least 90% of the AFRAC Secretariat's Annual Performance Plan implemented	Annual Target Overachieved 100% (cumulative) of the AFRAC Secretariat's Annual Performance Plan was implemented.	10%	Due to prioritisation and simultaneous implementation of milestones, all quarterly targets within the APP were implemented.
Government achieving policy objectives (regional integration health, safety and the environment)	Acceptance of conformity assessment results	Percentage implementation of SADCA Secretariat's Annual Performance Plan	90% of the SADCA Secretariat's Annual Performance Plan was implemented	90% (cumulative) of the SADCA Secretariat's Annual Performance Plan was implemented	At least 90% of the SADCA Secretariat's Annual Performance Plan implemented	Annual Target Overachieved. 100% (cumulative) of the SADCA Secretariat's Annual Performance Plan was implemented.	10%	Due to prioritisation and simultaneous implementation of milestones, all quarterly targets within the APP were implemented.

Linking performance with budgets

Programme	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Accreditation	68 946	77 091	(8 147)	66 935	72 843	(5 908)
Total	**68 946**	**77 091**	**(8 147)**	**66 935**	**72 843**	**(5 908)**

Strategy to overcome areas of under-performance

The target to ensure that all eligible payments are processed within an average of 19 days was not achieved as planned. In the 2023/24 financial year, SANAS introduced revised systems and processes to improve the timeframes within which payments are processed which were institutionalised in the 2024/25 financial year. The average days within which payments are made has been drastically reduced, however, going forward, SANAS will ensure that no payments are made over 30 days through the stringent implementation of the revised systems and processes related to processing payments.

Changes to planned targets

There were no changes to the annual targets planned for the 2024/25 financial year, however during the revision of the 2024/25 APP, the following target was included: Accreditation fees for 2025/26 financial year increased by at least 1 percent below CPI.

4.2 PROGRAMME 2: CORPORATE SERVICES

Ms Busi Radebe
Executive: Corporate Services

Ms. Francina Swarahla
PA to Executive Corporate Services

Purpose

The purpose of this programme is to oversee the provision of Corporate Services which plays an enabling role for the Entity.

Description of the Programme

The Sub-Programmes that form part of Corporate Services include Information and Communication Technology (ICT), Quality Management, ICT Security, HR Management, Facilities Management, Admin Coordination, and Marketing and Communications.

Quality Management

The Quality Management Department is responsible for ensuring the control, maintenance and supervision of the implementation of the policies, processes and procedures of the SANAS Management System in accordance with ISO/IEC 17011:2017 and other national, regional and international requirements, as set out by the ILAC/IAF/OECD/AFRAC and government. In the 2024/2025 financial year, the key objective for Quality Management was to ensure continuous review and improvement of SANAS' Management Systems and processes, and to prepare for the 4-yearly re-evaluation of SANAS to be held in August 2025 by AFRAC and SADCA.

During the reporting period, positive progress was made to ensure quality of operations which resulted in the achievement of the following, amongst others:

- A successful SANAS internal audit against the requirements of ISO/IEC 17011 was conducted in November 2024;
- 93 SANAS documents were reviewed, of which 75 were revised with new versions published;
- 10 complaints against SANAS and/or its processes were dealt with satisfactorily;
- 54 Assessor certificates were re-issued;
- Two team leaders and 29 technical assessors were qualified and registered;
- Continuous upskilling of Quality Management staff; and
- Three related APP targets were achieved and/or over-achieved.

Facilities Management

Mr. Ndima Maphaha
Facilities Administrator

The Facilities Management Unit ensures the management of SANAS buildings, infrastructure, and other related assets, as well as the services and processes required to keep them functioning effectively and efficiently. Facilities management is essential for the smooth operations of SANAS as it plays a crucial role in ensuring the health, safety, and well-being of the people who use these facilities, which include both SANAS staff and visitors, while also ensuring that the facility is cost-effective to operate and maintain. During the period under review, the Facilities Management Unit managed the day-to-day operations of the SANAS building and related assets while also planned and managed maintenance, repair, and renovation projects.

INTERNATIONAL AND REGIONAL DEVELOPMENT

International Development

Ms. Yolanda Vinnicombe
Quality Manager

Ms. Lufuno Ramogodo
Quality Administrator

Ms. Fikile Skosana
Project Assistant: AFRAC & SADCA Secretariat

As a signatory to the International Laboratory Accreditation Cooperation (ILAC) MRA and the International Accreditation Forum (IAF) Multi-lateral Arrangement (MLA), SANAS is an internationally recognised accreditation body for the scopes of testing, medical testing and calibration laboratories, inspection bodies, Proficiency Testing (PT) providers, Reference Material Producers (RMPs) and certification bodies in the management system, product certification and personnel certification scopes. ILAC and IAF attest to the competence of SANAS and its accredited Conformity Assessment Bodies (CABs) across 109 global economies. The results from CABs accredited by SANAS must be recognised internationally, which assists in reducing TBT, and allows for the free flow of quality goods and services across borders.

As part of South Africa's contribution to the development of the accreditation infrastructure on the continent, SANAS is actively involved in the work of ILAC and IAF. Such activity continues to influence the international accreditation requirements through participation in ballots, providing input into the relevant ILAC and IAF documentation, and participation in the various forums and peer evaluations of ILAC and IAF.

In the 2024/25 financial year, SANAS voted on 90% of IAF voting requests and 100% of ILAC voting requests.

Regional Development

Regional arrangements are managed by the recognised regional co-operation bodies that work in harmony with ILAC and IAF. SANAS' status as signatory to ILAC and IAF is based on its recognition through the African Accreditation Cooperation (AFRAC) and the Southern African Development Community Cooperation in Accreditation (SADCA), which are recognised regional cooperation bodies and signatory members of ILAC and IAF.

African Accreditation Cooperation (AFRAC)

SANAS currently hosts the positions of the AFRAC Secretariat and Technical Committee Chairperson, and in Sept 2024 SANAS was also appointed to host the position of AFRAC Vice-Chair. AFRAC is part of the PAQI institutions recognised by the African Union Commission as the platform for accreditation and conformity assessment. In this context, AFRAC's purpose is to strengthen the competitiveness of Africa's goods and services, and to contribute towards the industrialisation of the continent and its sustainability. AFRAC is a recognised region under the ILAC and IAF MRA, which allows for the global acceptance of results produced by CABs accredited by AFRAC member Accreditation Bodies.

In the 2024/2025 financial year, the key strategic objective of the AFRAC Secretariat—hosted by SANAS—was to support regional integration on matters of accreditation. This was measured through the Secretariat's APP, of which all the planned key interventions were successfully carried out and resulted in:

- The successful internal audit of AFRAC in August 2024, with one non-conformance and 11 comments raised, all of which were addressed and cleared;
- Successful running of the AFRAC virtual mid-term meetings from 27 to 31 May 2024, and the successful hosting of the General Assembly and meetings by SANAS, from 16 to 20 Sept 2024 in Johannesburg, allowing AFRAC to meet its annual strategic objectives;
- Preparations for the 4-yearly re-evaluation of AFRAC by ILAC and IAF, which started in April 2025;
- The extension of AFRAC's MRA to include Validation and Verification (ISO/IEC 17029, ISO 14065) with sub-scope Greenhouse Gas (GHG); Product Certification Sub-scope GlobalG.A.P, and Management System sub-scope Information Security Management Systems (ISMS);
- The extension of AFRAC's scopes of recognition under the IAF MLA to include Product Certification sub-scope GlobalG.A.P, as well as Management certification sub-scope ISO/TS 22000, Food Safety Security Certification (FSSC);
- AFRAC's initial evaluation of one accreditation body;
- Extension of scopes for four of AFRAC's Accreditation Body members, i.e. EAS (Ethiopia), KENAS (Kenya), EGAC (Egypt) and SANAS;
- The addition of one new Associate Member (Rwanda National Accreditation Office);
- A total of nine training courses presented to AFRAC evaluators and/or AB members;
- The reviewing and publication of 27 AFRAC policies and procedures;
- Reporting to ILAC and IAF on the MRA activities of AFRAC;
- Securing of funding for AFRAC projects; and
- Representation of AFRAC at the forums of ILAC, IAF and PAQI.

The Southern African Development Community Cooperation in Accreditation (SADCA)

SANAS currently hosts the SADCA Regional Coordinator position as well as SADCA Secretariat position. The Regional Coordinator is appointed as head of the Secretariat in terms of the TBT Annexure to the SADC Trade Protocol. SANAS also hosts the positions for the SADCA MRA Committee Chairperson, the SADCA Technical Committee Chairperson and the Marketing and Communication Chairperson. The TBT Annexure to the SADC Trade Protocol mandates SADCA to provide SADC Member States with accreditation infrastructure. The purpose of this mandate is to facilitate national, regional, and international recognition and acceptance of conformity assessment results, and, in turn, facilitate trade and protect the health and safety of the public and the environment.

In the 2024/25 financial year, the key strategic objective of the SADCA Secretariat was to support regional integration on matters of accreditation. This was measured through the Secretariat's APP, of which all the planned key interventions were successfully carried out. This resulted in the following achievements:

- The successful internal audit of SADCA in December 2024, with two non-conformances and two comments raised, all of which were addressed and cleared;
- Successful running of the SADCA virtual annual meetings from 5 to 20 March 2025, with the General Assembly being held in Victoria Falls, Zimbabwe on 27 March 2025, allowing SADCA to meet its annual strategic objectives;
- Finalisation and publication of the SADCA Annual Report for 2023;
- Preparations for the 4-yearly re-evaluation of SADCA by ILAC and IAF, scheduled to start in August 2025;
- Two training courses presented to SADCA evaluators and/or AB members;
- The reviewing and publication of 30 SADCA policies and procedures;
- Reporting to ILAC and IAF on the MRA activities of SADCA;
- Representation of SADCA at the forums of ILAC, IAF and the SADC TBT Expert Group; and
- Securing of funding for SADCA projects.

Administration Coordination

Ms. Cleon Andrews
Administrative Coordinator

Ms. Tshilidzi Mutavhatsindi
Receptionist

Ms. Esther Ndlovu
General Assistant

The Administration Coordination sub-programme provides administrative support to all SANAS' accreditation programmes and general operations. The function of the sub-programme is to ensure timeous and quality delivery of accreditation administrative services to our customers. The key deliverable in this area is ensuring quick turnaround times and quality Certificates and Scopes of Accreditation post every decision made by the Approvals Committee.
In the year under review, the focus continued to be on refining our service deliverables and offerings. Internal process reviews and active feedback engagements with our customers provided insights, that led to improved business process optimisation and streamlining. This included amongst others refresher training and support of administrators responsible for the various administrative roles.

In addition, geared towards enhancing customer satisfaction, the administrative staff were encouraged to improve their skills and knowledge through continuous training and development initiatives, which is pivotal to effectively meeting our customer needs.

As our customer expectations evolve, so do our strategies on improvements. Further automation of processes and integration of technology into our business processes in future will be vital to support effective and efficient customer service. The aim is to improve operational efficiencies whilst increasing customer satisfaction.

Creating Efficiencies through ICT Management

Mr. Miyoba Sichimwi
IT Security Officer:
Acting IT Manager

Mr. Kamogelo Tlale
ICT Applications Officer

Ms. Kgomotso Tau
ICT Help Desk Agent

In the past financial year, SANAS IT continued to enable the core business operations in meeting its organisational business objectives. Through its ICT business unit, the entity has continued to make innovative technological investments to enhance its ICT infrastructure to meet key core business objectives. The key focus for the year has been moving towards a technologically enabled and efficient SANAS business processes.

Automation, streamlining and digitalisation of business processes has become a priority focus for SANAS. The entity is continuously researching and benchmarking for the right platforms, applications and systems that will enhance the efficiencies and effectiveness of the way we perform our day-to-day operations to improve our service delivery to our valued customers.

Some of the technological investments made during the 2024/25 financial year include the following:
- Development and Implementation of a comprehensive 5-year Digital Transformation Strategy and Project;
- Implementation of automated and remote helpdesk processes for customers;
- Further automation and digitalising of the online accreditation system and processes;
- Automation and digitalising of document signing within SANAS;
- Enhancement of the Human Resource Management System (HRMS) processes;

- Planning for the automation and enhancement of Supply Chain Management processes;
- Refreshing of the server infrastructure in line with digital transformation direction and demands; and
- Development of the Course Management System (CMS) to streamline, automate and digitise Knowledge Transfer Centre administration and training processes.

In its continued effort to achieve the technological advancement objectives, SANAS has also been mindful to adhere to the Green IT strategy aimed at sustaining the environment which included the following initiatives:
- Making strides towards creating a paperless workplace;
- Implementing responsible disposal of all IT equipment;
- Driving the reduction of printing costs;
- Driving the recycling of ICT-related consumables (paper, cartridges etc.); and
- Digitising old physical records.

The focus for the current financial year will be on the continued rollout of the digital transformation strategy which will see our customers receiving efficient and effective services.

IT Security: Risk Management and Business Continuity

Business continuity and the need to secure customer and employee information and data have become imperative during the 2024/2025 financial year as there has been an escalation in the incidents of cyber-attacks in South Africa. SANAS has utilised a continuous improvement strategy towards its cyber security framework in accordance with ISO/ IEC 27001 and COBIT (Control Objectives for Information and Related Technology) Framework. These frameworks help SANAS to protect its information assets, and improve business continuity and customer experience, thus meeting SANAS' strategic objectives.
To maintain the Information Technology (IT) Security needs of all stakeholders, including staff, customers, suppliers and contractors, in accordance with the Protection of Personal Information Act of 2013 (POPIA), SANAS continually provides focussed staff awareness training on cyber security. During this period, SANAS has improved staff awareness and education according to a global IT Security Government Awareness Index which was achieved through online training and continuously testing our IT systems for vulnerabilities. Such deliberate strategies and tactics have resulted in reduced cyber security incidents, increased cost savings, proactive risk management, improved business continuity and enhanced customer experience. SANAS has also improved its technology offering by refreshing its IT Server Infrastructure and endpoints, securing applications and networks, monitoring mechanisms and streamlining processes.

In the new financial year, focus will be on investing further in systems aimed at protecting the environment from attacks that might lead to business disruption.

Communications and Marketing - Engaging our Stakeholders

Ms. Tshenolo Molamu
Manager Communications & Marketing

Ms. Nombongo Ngobe
Team Assistant

The Communication and Marketing Sub-Programme has been actively monitoring the implementation of marketing, communication, and stakeholder engagement plans which are audience specific. These engagements were designed to support initiatives that enhance SANAS' brand awareness and highlight the importance and value of SANAS accreditation.

Brand Awareness and Customer Relationship Management

During the reporting period, SANAS engaged strategically with a wide range of stakeholders to enhance its commitment to transparent communication and accountability. The organisation utilised diverse internal and external communication channels to effectively support ongoing marketing initiatives. As a result, these efforts played a crucial role in strengthening the SANAS brand and increasing awareness of the importance of accreditation among various stakeholder groups. Additionally, SANAS took an active role in hosting and participating in key industry events, which provided significant opportunities to share insights about its processes with the general public, industry associations, professional representatives, and regulatory bodies.

Stakeholder Engagements

A range of external stakeholder engagements were conducted through both virtual and in-person events and workshops. These platforms were strategically utilised to communicate key messages reinforcing the integrity of SANAS, the reliability of its services, and the trustworthiness of its processes and requirements. Additionally, they served to strengthen stakeholder confidence in SANAS-accredited organisations.
The engagements included the following:

- World Accreditation Day
- Accreditation Information Sessions
- New Applicants Workshop
- Industry Partnership and Collaboration
- Tertiary Institution Awareness Campaign / Collaboration

Brand Awareness Campaigns

Brand messaging constituted a fundamental aspect of SANAS' comprehensive initiatives aimed at enhancing public awareness of the organisation and underscoring the significance and impact of SANAS accreditation across various sectors. These initiatives were strategically aligned with the priorities delineated in relevant planning documents and frameworks, and they were designed to effectively engage both internal stakeholders, including staff and management, and external partners, such as industry regulators and accredited entities, in a collaborative effort to promote the value of accreditation.

Social Media Platform

The main purpose of the SANAS Communications and Marketing Department is to strategically enhance and safeguard SANAS's reputation, increase brand awareness, and effectively communicate the value and importance of SANAS accreditation to all stakeholders.

This includes:

- **Building and maintaining a strong brand identity:** Ensuring consistent and positive messaging across all platforms to enhance SANAS's credibility and recognition as the national accreditation body.

- **Stakeholder engagement:** Developing and implementing communication strategies to inform, engage, and build relationships with accredited bodies/CABs, government entities, industries, consumers, and the public.

- **Promoting the value of accreditation:** Educating stakeholders on how SANAS accreditation contributes to quality, safety, trade facilitation, and economic growth in South Africa.

- **Managing communication channels:** Utilising various platforms, including digital media, publications, and events, to disseminate information effectively.

- **Supporting business objectives:** Aligning communication and marketing efforts with SANAS's strategic goals to contribute to organisational sustainability and growth.

- **Crisis communication:** Developing and implementing strategies to manage and mitigate reputational risks and effectively communicate during challenging situations.

- **Internal communications:** Ensuring that SANAS employees are well-informed and engaged with the organisation's objectives and activities.

The Marketing Department furthermore ensures that SANAS leverages its social media platforms to enhance stakeholder engagement, broaden its reach, and promote a deeper understanding of accreditation's value. These platforms serve as key tools for disseminating crucial information, including updates on new updates, accreditation processes, and the benefits of accredited services. They also facilitate real-time interaction with stakeholders, fostering dialogue, addressing inquiries, and building a strong online community around quality and compliance.

In sum, the Department plays a crucial role in ensuring that SANAS is understood, trusted, and valued by its stakeholders, thereby supporting its mandate to provide an internationally recognised and effective accreditation system for South Africa.

Human Resources (HR)

Ms. Mimi Sekoboane
Human Resources Manager

Ms. Zelda Strydom
Human Resources Officer

Ms. Lesedi Aphiri
Human Resources Administrator

The HR Department is responsible for ensuring that SANAS has the human resource capacity and quality to deliver on its mandate in terms of the Accreditation Act and is also able to respond to customer's different needs and expectations. In its drive to ensure organisational effectiveness, HR embarked on several strategic initiatives which are designed around the employee lifecycle from onboarding until exit. Detailed activities of the HR Department within the year under review are covered in detail under Part D: Human Resources.

Institutional Outcomes for Programme 2

- Organisational sustainability
- Competitiveness of South Africa's Enterprises

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Corporate Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Organisation sustainability	Internal business excellence	Percentage roll-out of the approved Stakeholder Engagement Plan	100% of the planned activities within the approved Annual Stakeholder Engagement Plan were rolled out	100% of the planned activities within the approved Annual Stakeholder Engagement Plan were rolled out	100% of the approved Annual Stakeholder Engagement Plan rolled out	Annual Target Achieved 100% of the approved and planned Annual Stakeholder Engagements were successfully rolled out	Not applicable	Not applicable
Organisation sustainability	Internal business excellence	Percentage vacancy rate of the total funded positions for the financial year	All quarterly targets were achieved resulting in an average vacancy rate of 3,6% (5,2% + 2,6%+ 3,9% + 2,6% = 3,6% on average)	All quarterly targets were achieved resulting in an average vacancy rate of 2,9% (3,9% + 2,6%+ 2,6% + 2,6% / 4 = 2,9% on average)	Maximum of a 5% vacancy rate of the total funded positions for the financial year	Annual Target Achieved All quarterly targets were achieved resulting in an average vacancy rate of 2,3% (2,6% + 2,6%+ 2,6% + 1,3% / 4 = 2,3% on average)	Not applicable	Not applicable
Competitiveness of South Africa's enterprises	Growth and sustainability of SMMEs	Number of SMMEs supported	New Indicator	New Indicator	Engagement undertaken with SEDA on possible interventions to support the growth and sustainability of SMME's	Annual Target Achieved Engagements undertaken with SEDA in January and February 2025 which resulted in the development of a draft funding agreement to support SMMEs	Not applicable	Not applicable

*The Annual Target: Engagement undertaken with SEDA on possible interventions to support the growth and sustainability of SMME's, was included as an additional target in the revised 2024/25 APP which was approved in Quarter 3.

Programme	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	13 544	14 423	-878	12 940	9 410	3 530
Total	**13 544**	**14 423**	**-878**	**12 940**	**9 410**	**3 530**

Strategy to overcome areas of underperformance

Not applicable, as all planned targets were achieved.

Changes to planned targets

There were no changes to the annual targets planned for the 2024/25 financial year, however during the revision of the 2024/25 APP, the following target was included: Engagement undertaken with the Small Enterprise Development Agency (SEDA) on possible interventions to support the growth and sustainability of SMME's.

4.3 PROGRAMME 3: STRATEGY AND DEVELOPMENT

Mr Farhad Osman
Executive: Strategy & Development

Programme Purpose

The purpose of this programme is to provide effective direction and leadership in developing accreditation programmes in new fields, project development, as well as knowledge transfer to the SANAS assessor pool and accreditation clients. These initiatives aim to drive the Government's sub-regional, regional and international objectives.

The programme's purpose is also to support South Africa's objective of effective regional integration by playing a leadership role in accreditation development in the SADC region and the African continent. Furthermore, the strategic planning and organisational performance monitoring and reporting functions are also housed within Programme 3.

Description of the Programme

The sub-programmes that fall under this programme include Knowledge Transfer and New Programme Development.

Knowledge Transfer

Mr. Mandla Sithole
Manager Knowledge Transfer

Ms. Tshifularo Ramuedzisi
Quality Management System Trainer

Mr. Kgwaredi Ledwaba
Quality Management System Trainer

Ms. Thabiso Bapela
Training Coordinator

Ms. Mpheiwa Moremi
Training Coordinator

The Knowledge Transfer Department (KTD) provides training services on accreditation related courses that are informed by International Organisation of Standards (ISO) Accreditation Scheme standards, national standards, national normative documents, International Laboratory Accreditation Cooperation (ILAC) requirements, International Accreditation Forum (IAF) requirements and SANAS accreditation requirements in alignment with each CAB's core business and competence.

The courses are provided through three platforms namely: Contact Courses, Virtual Live Courses and a Hybrid of Contact-Virtual Courses. The knowledge gained from the courses serve as a foundation for CABs personnel's understanding and implementation of accreditation requirements in the following SANAS accreditation fields:

- Testing laboratories: Medical, Chemistry, Microbiology, Hydrobiology, Mechanical Food testing, Veterinary, Pharmaceutical, Blood Transfusion and Civil Engineering fields.
- Calibration laboratories: Mass, Volume, Time and Frequency and Radiofrequency fields.
- Voluntary and Regulated Inspection Bodies: Occupational Hygiene, Medical Devices, Lifts, Escalators, Major Hazardous Installations, Gas Test Stations and Pressure Vessels fields.
- Certification Bodies: Product and Management System certification fields.
- B-BBEE Rating Agencies: B-BBEE Codes of Practice and Sector Charters.

The KTD also provides value-added training services in the fields listed above through courses and workshops such as Root Cause Analysis and Corrective Action, Nominated Representatives and Technical Signatories, Technical Assessing Techniques and Risk Management. The services enable CABs to maintain and improve the effectiveness and efficiency of their accreditation.

During the period under review, KTD has maintained its role in providing training services within SANAS through staff and assessor training. KTD has also remained the training service provider of choice to accredited and non-accredited CABs nationally and internationally. Over and above training services provided, KTD has contributed directly and indirectly towards achievement of SANAS objectives as follows:

- The expansion and demographic transformation of the SANAS Assessor pool: Assessor training courses were conducted for the Testing, Calibration and Medical Laboratories fields. Training of new assessors will enable the accreditation programmes to respond to the increasing demand for CAB accreditation services.
- Training of SANAS internal auditors: KTD designed an internal auditing course based on ISO/IEC 17011:2017 requirements. A team of SANAS internal auditors was provided with an ISO/IEC 17011:2017 requirements refresher course followed by internal auditing techniques and best practices.
- Contribution towards SANAS financial sustainability: The KTD has continued to keep its training fees unchanged for the past three years. This has enabled SMMEs, accredited CABs facing financial challenges and self-funded individuals to access training courses while also enabling KTD to contribute towards SANAS' financial sustainability.

The KTD conducted a total of 78 courses made up of 69 Contact Courses and 9 Virtual Live Courses (VLCs). A total of 1 038 delegates, made up of 863 Contact Course delegates and 175 Virtual Live Course delegates, attended the courses provided over a period of 201 training days.

Contact Courses were conducted within South Africa at SANAS offices, as well as through public courses conducted in various provinces and company premises, and in Botswana. The VLCs have made it possible to provide online training services to delegates from other countries such as Eswatini, Zimbabwe, Namibia, Mozambique, Zambia and the Democratic Republic of Congo. The annual average customer satisfaction index for internally and externally provided courses was 98%. The Department's success in delivering the above services is credited to the dedication, competence, experience and professionalism of the KTD course facilitators and training coordinators.

New Programme Development

Mr. Tumelo Ledimo
Project Manager Research & Development

Biobanking (ISO 20387:2018)

During the year under review, SANAS hosted a pre-working group meeting, as well as the first working group meeting for the development of the technical requirements for biobanking in accordance with ISO 20347. The purpose of the pre-working meeting was to kickstart the development of biobanking accreditation scheme.

South Africa has biobanks within academia, private and public sector. In the public sector the main players are National Health Laboratory Service (NHLS), South African National Biodiversity Institute (SANBI) and South African National Parks (SANParks). SANAS had in the past received the request for the development of biological repositories (biobank) accreditation scheme. At that time there was no international standard for biological repositories (biobank). There were however multiples guidelines available from different international organisation like ISBER (International Society for Biological and Environmental Repositories), ESBB (European, Middle Eastern & African Society and Biobanking), IARC (International Agency for Research on Cancer) and OECD (Organisation for Economic Cooperation and Development).

Accreditation of biobanking to ISO 20387 involves independent, unbiased assessment of the biobanking facility to determine competence, impartiality and consistent operation. Biobanks play a vital role in scientific studies, for example, research in diseases connected with a certain analyte in the blood. The accreditation of biobanking to the ISO 20387:2018 will impact positively on the future of South Africa's researchers and regulatory bodies.

Technical Dossier Review

SANAS had three engagement meetings with SAHPRA and gathered data in preparation for the development of a certification scheme for medical devices and invitro diagnostics (IVD). The engagement's purpose was to ensure that SANAS provide SAHPRA with conformity assessment processes that are aligned with the regulations for medical devices and IVD, and moreover with the international standards and guidelines to be developed by the medical devices and IVD globally.

Medical devices and IVD have improved the treatment of many medical conditions. Despite their benefits, the use of devices can lead to unintended incidents, potentially resulting in unnecessary harm, injury or complications to the patient. It is for this reason that the regulations of the medical devices and IVD become important in an endeavour to promote safety and improve of quality of life. The accreditation of the CAB for technical dossier review is therefore crucial in supporting the quality, safety, and performance of medical devices and IVD.

Institutional Outcomes for Programme 3

- Government achieving policy objectives (health, safety, environment and regional integration)

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Strategy and Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Government achieving policy objectives (regional integration health, safety and environment)	Acceptance of conformity assessment results	Number of new accreditation programmes initiated (technical dossier valuation)	80% of the Business Incubators and Accelerator projects implemented as planned	Multiple workshops held in collaboration with SEDA, focused on the promotion and roll-out of the Business Incubators and Accelerators Programme	1 new Accreditation Programme initiated in collaboration with SAHPRA (technical dossier evaluation)	Annual Target Achieved The new accreditation programme initiated in collaboration with SAHPRA	Not applicable	Not applicable
Government achieving policy objectives (regional integration health, safety and environment)	Acceptance of conformity assessment results	Developed Biobank Programme	Through engagements with the Asset Management Industry Association, the Asset Management System Accreditation Scheme was promoted via the SAAMA platform	Following stakeholder engagements and research, the Feasibility Study Report on the Biobank Programme was developed	Biobank Programme developed	Annual Target Achieved Following approval of the Biobank Feasibility Study Report and stakeholder engagements, the Biobank working group was established	Not applicable	Not applicable
Government achieving policy objectives (regional integration health, safety and environment)	Contribution to the implementation of the relevant Outputs of the dtic Group	Number of quarterly progress reports on SANAS' contribution to the relevant outputs of the dtic Group	New Indicator	SANAS contribution to the relevant Output Targets of the dtic Group were developed for quarters 1, 2, 3 and 4	4 quarterly progress reports developed on SANAS' contribution to the relevant outputs of the dtic Group	Annual Target Achieved Progress reports on SANAS' contribution to the relevant output targets of the dtic Group were developed for quarters 1, 2, 3 and 4	Not applicable	Not applicable
Government achieving policy objectives (regional integration health, safety and environment)	Acceptance of conformity assessment results	Number of relevant initiatives of the PAQI structures, participated in	New Indicator	SANAS participated in all 4 relevant initiatives of the PAQI structures, as planned	Participate in 4 relevant initiatives of the PAQI structures, focused on reducing the technical barriers to trade within the AfCFTA	Annual Target Achieved SANAS participated in all 4 relevant initiatives of the PAQI structures, as planned	Not applicable	Not applicable

Linking performance with budgets

Programme	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategy and Development	6 697	4 538	2 158	5 970	3 061	2 909
Total	**6 697**	**4 538**	**2 158**	**5 970**	**3 061**	**2 909**

Strategy to overcome areas of underperformance

Not applicable, as all planned targets were achieved.

Changes to planned targets

There were no changes to the annual targets planned for the 2024/25 financial year.

4.4 PROGRAMME 4: ACCREDITATION PROVISION

Mr Mpho Phaloane
Executive: Accreditation

Ms. Portia Hlope
PA to Executive Accreditation

Purpose

The purpose of this programme is to provide, manage and maintain accreditation services for new and existing clients in both the voluntary and regulatory domain.

Description of the programme

This programme is responsible for overseeing the accreditation of both new and existing clients in alignment with relevant legislation and international best practices. It plays a critical role in ensuring that the services provided by accredited organisations are accessible to South African industry and regulatory bodies.

The programme encompasses a wide range of sectors, including general testing laboratories, medical laboratories, blood transfusion services, veterinary laboratories, Good Clinical Practice (GCP) facilities, pharmaceutical laboratories, forensic laboratories, certification bodies, mechanical and physical testing laboratories, calibration laboratories, repair and verification bodies, as well as Broad-Based Black Economic Empowerment (B-BBEE) rating agencies. In addition, SANAS grants compliance recognition to facilities operating under GLP in accordance with the requirements of the Organisation for Economic Co-operation and Development (OECD).

CALIBRATION PROGRAMME

Dr. Sam Thema
Accreditation Manager

Ms. Nthabiseng Molemane
Senior Administrator

Ms. Mabatho Malepe
Team Assistant

The calibration program has three schemes, namely: (i) Calibration laboratories (ii) Reference Material Producers (RMPs); and (iii) Proficiency Testing (PT). Currently, the MRA between ILAC, AFRAC, and SADCA covers calibration laboratories, whereas the MRA between ILAC and AFRAC covers PT and RMP.

Highlights

The programme has become stable since the Accreditation Manager and Assessment Specialist were appointed during the end of 2023 and beginning of 2025, respectively.

Challenges

The programme experienced the following challenges during the year under review:
- Limited technical assessors in several disciplines, including gas metrology, fluid dynamics or viscosity metrology, fibre optics, and inorganic plasma spectrometry.
- The availability of international experts for the National Metrology Institution of South Africa (NMISA) re-assessments and other crucial assessments.

Accredited Calibration Laboratories

Calibration laboratories demonstrate their competence for accreditation through formal compliance with the ISO/IEC 17025:2017 standard.

In the South African industry, the calibration programme's accredited calibration laboratories continue to play a crucial role in providing metrological traceability to the System International (SI) of units. Measurement or metrological traceability is still essential to testing and manufacturing.

As the chair of the African Accreditation Cooperation (AFRAC) calibration, testing, PT, and RMP sub-committee, members of the calibration programme participated in AFRAC's operations during the reviewed period.

During the period under review, members of the Calibration Programme also took part in International Laboratory Accreditation Cooperation (ILAC) and International Accreditation Forum (IAF) activities through multiple working groups and task forces, including the Metrology Working Group and the IAF Task Force Group to Address AB Cooperation, as well as committees like the ILAC-IAF Joint Development Support Committee (JDSC), Accreditation Committee (AIC), and ILAC Arrangement Committee (ARC).

During the period under review the programme received several new applications, which are presently being reviewed at various stages and should be completed by 2025/26 financial year.

Reference Materials Producers (RMPs)

Reference Material Producers (RMPs) demonstrate their competence for accreditation through formal compliance with ISO 17034:2016 standard (General requirement for the competence of RMPs).
RMPs support testing and calibration laboratories to produce reliable results and achieve measurement traceability

Currently, there are seven accredited facilities providing this service in South Africa covering the following:
- Various minerals serving the mining industry;
- Reference gases for chemical manufacturing and pollution monitoring;
- Reference materials used for the legal traceability for blood alcohol measurement purposes;
- Reference materials used in the food industry (Mycotoxins);
- Coal and coal ash; and
- Reference materials in minerals and metals.

Proficiency Testing (PT) Providers

Proficiency Testing (PT) providers demonstrate their competence for accreditation through formal compliance with ISO/IEC 17034:2010 standard, including general requirements for the competence of PT providers.

The PT providers support testing and calibration laboratories to participate in PT, which reduce a laboratory's risk of producing incorrect measuring results.

There are currently 12 proficiency testing service providers accredited by SANAS, two of which are based outside of South Africa—in Uganda and Nigeria.

During 2024/25 financial year, the programme received five new applications from different SADC countries, which are being reviewed at various stages and should be completed by the 2025/26 financial year.

Many of the accredited PT providers provide their services to medical laboratories, whereas others provide their services in the mining industry, for wastewater and potable water testing and food testing. There is currently one accredited PT provider for calibration laboratories in South Africa.

The transition to the new standard (ISO/IEC 17043:2023), which started in May 2023, is presently underway for all accredited PT providers and new applicants. All accredited PT providers and new applicants are expected to be transitioned to the new standard by the end of May 2026.

GENERAL TESTING LABORATORIES

Testing Programme

Mr. Shadrack Phophi
Accreditation Manager

Ms. Kenalebeng Moirapula
Assessment Specialist

Ms. Rebecca Ramabulane
Assessment Specialist

Ms. Busisiwe Hlongwane
Team Assistant

Ms. Senelisiwe Ngwenya
Senior Administrator

Ms. Kgomotso Masemola
Senior Administrator

Mr. Lesley Lifhiga
Senior Administrator

During the year under review, an additional 12 CABs were accredited, representing 3% growth from the previous year. Currently, the sub-programme has a total of 320 accredited CABs. The sub-programme is expected to continue performing better in the coming financial year, if the number of new applications that are currently being processed is used as an indicator. In addition to the programme's vertical growth (i.e., in numbers), the programme is known for its bullish horizontal growth through accredited laboratories expanding their scope of operation. This type of growth was further demonstrated in the 2024/2025 financial year and helps the sub-programme to be financially self-sufficient.

The sub-programme has a total number of 86 qualified assessors, of which 68 are from the previously disadvantaged individual (PDI) groups, which translates to 75% PDIs. Thus, the programme has achieved the set assessor pool transformation target. In the year under review, six additional candidates were trained and are currently going through the qualification process.

Testing laboratories play a crucial role in various industries, including mining, health, water, agriculture and energy, contributing to public safety, regulatory compliance, quality assurance, and innovation. These laboratories are integral to ensuring the safety, quality, and efficacy of products across various sectors. Their role in regulatory compliance, consumer confidence, and innovation underscores the importance of maintaining high standards in testing practices. As industries continue to evolve, the demand for reliable testing facilities will only increase, reinforcing their essential position in modern society.

GLP Monitoring Authority

The GLP sub-programme has granted GLP compliance recognition to a total of 20 test facilities within the continent. In the period under review, two additional test facilities were granted GLP compliance which translated to a 12% growth. A marked growth is expected in the next financial year since OECD GLP will become mandatory in the country from August 2025 following the publication of regulations by the Department of Agriculture, Land and Rura Development (DALRRD).

The GLP compliant test facilities which form part of the GLP sub-programme conduct studies on behalf of research organisations who intend to submit non-clinical health and environmental studies to national authorities for the purpose of assessing the health and environmental safety of chemicals and chemical products. The OECD principles of GLP provide a standardised and internationally recognised framework for the conduct of non-clinical safety studies. Adherence to these principles ensures the quality and integrity of data generated, thus facilitating the regulatory acceptance of test results and protecting human health and the environment.

Currently, the GLP sub-programme is operating in three African regions, namely, Southern, Eastern, and Western Africa. South Africa is still the only African country with a GLP Compliance Monitoring Authority. The programme's mandate is to monitor compliance to the OECD Principles of Good Laboratory Practices by test (research) facilities that conduct non-clinical health and environmental studies.

INSPECTION PROGRAMME

Inspection Bodies

Mr. Rudzani Ramabulana
Accreditation Manager

Ms. Bhekisile Ndlovu
Assessment Specialist

Ms. Ivy Balatse
Senior Administrator

Mr. Mpho Mavhunga
Senior Administrator

Ms. Linda Bam
Team Assistant

The Inspection Programme was one of the fastest growing programmes at SANAS until the DMRE withdrew Energy Performance Certificate (EPC) accreditation as a regulated scope. These withdrawals, combined with other voluntary withdrawals within the Inspection Programme, dropped the programme from 296 CABs to the current 292 CABs—an 8.11% drop.

There are currently 22 CAB applications in various stages, of which five applications are in their initial assessment, or final accreditation, stage. As an organisation, we are optimistic that the Inspection Programme will experience growth over the short- and medium-term, as other regulators make it mandatory for providers of conformity assessment services to be accredited, before attaining approval to operate in their regulated spaces—a requirement pursuant to minimising risk in those areas.

New Accredited Facilities

Although the number of accredited facilities fell during 2024/25, owing to EPC withdrawal by the DMRE, as well as other voluntary withdrawal of accreditation due to poor business sustainability because of COVID-19, growth is anticipated in 2025/26. The current number of 272 CABs includes the six newly accredited CABS in the 2024/25 financial year.

Inspection Programme Highlights

Among the highlights of the inspection programme are: 1. Developing and publishing the Non-Destructive Examination/ Inspection SANAS TR94 documents. 2. Hosting the Major Hazardous Installations (MHI) AIA Forum with the Department of Employment and Labour where the accreditation process was simplified so that all MHI facilities can apply as per the newly promulgated MHI Regulations. 3. Chairing the Regulator's meeting attended by various regulators on 8 October 2024. 4. Improvement of the Inspection PDI stats from 37% to 43%.

Assessor Pool in the Inspection Programme

SANAS largely makes use of external assessors, who form part of the assessment teams that assist it in achieving its mandate. The Inspection Programme currently has a total of 75 assessors in various fields.

The programme is prioritising the training and appointment of more Black assessors and has increased the percentage of PDIs from 37% to 43% through the qualification of seven PDIs, with more PDIs trained in February 2023. In terms of continuously improving the representation of PDIs, there is already a scheduled TA course for 14 – 16 July 2025, with the objective of improving scopes including NDT, OH, Explosives and electrical, which are expanding within the Inspection Programme.

LEGAL METROLOGY

Mr. Thabo Chesalokile
Accreditation Manager

Mr. Letoke Mahlase
Assessment Specialist

Ms. Rorisang Rankune
Team Assistant

Ms. Lerato Marabe
Senior Administrator

Ms. Phumla Motlhale
Senior Administrator

Verification and Repair Bodies

Legal Metrology encompasses the legislative, administrative, and technical procedures established by public authorities, such as the dtic, and implemented by designated regulatory entities like the National Regulator for Compulsory Specifications (NRCS) and the South African National Accreditation System (SANAS). These measures are designed to ensure consumer protection.

Through consultation with relevant stakeholders, the dtic has developed the necessary legislation and technical regulations, which are enforced via the NRCS. The implementation of these requirements is guided by the Legal Metrology Act, 2014 (Act No. 09 of 2014), approved technical regulations, the Accreditation Act, and other applicable accreditation standards.

The primary focus is to ensure the accuracy, quality, and reliability of measurements related to trade, health, safety, and environmental protection. This function has become increasingly vital in safeguarding consumers from inaccurate or deceptive measurements. In a globalised economy where countries trade a wide range of goods, a robust legal metrology infrastructure is essential.

Growth in the Verification and Repair Bodies

During the year under review, there was a slight decline in the number of accredited Verification Bodies, decreasing from 134 in 2023/24 to 130 in 2024/25. In sharp contrast, Repair Bodies saw significant growth, rising from 54 to 65 over the same period. The most cited reasons for the voluntary withdrawal of accreditation included rising operational costs and a decline in business opportunities. The notable disparity between the number of Verification Bodies (130) and Repair Bodies (65) is largely attributed to most CABs opting to offer only one of the two services in order to minimise operational expenses.

MECHANICAL AND PHYSICAL TESTING PROGRAMME

Mechanical and Physical Testing

The accreditation offered by SANAS under the Mechanical and Physical Testing Programme is highly beneficial to industry. Accredited laboratories ensure that products and services in the automotive, engineering and manufacturing sectors comply with relevant safety and performance standards. This is of paramount importance, given our established mandate to ensure consumer safety and protection.

SANAS-accredited laboratories also benefit from international recognition, as SANAS has been a signatory to the International Laboratory Accreditation Cooperation (ILAC) MRA since 1992.

Moreover, there are significant economic benefits derived from the work carried out by our accredited laboratories. SANAS accreditation facilitates regional and international trade through the AFRAC and ILAC MRAs.

Growth in the Mechanical and Physical Programme

During the year under review, the Mechanical and Physical Testing Programme recorded a total of 30 active applications. These originated from a diverse range of economic sectors, including Metals, Plastics, Fibre and Polymer, Civil Engineering, and Electrical and Electronic Appliances. This is an encouraging development, as the sustainability and growth of these sectors heavily rely on internationally recognised accreditation. Such accreditation plays a crucial role in facilitating the global acceptance of testing results, thereby reducing TBTs and supporting the seamless exchange of goods and services between South Africa and its international trading partners.

Number of New Accreditations

The Mechanical and Physical Testing Programme recorded an annual growth of 4.6%, increasing the number of accredited laboratories from 152 in 2024/25, to 159 by the end of the 2024/25 financial year.

The notable rise in Civil Engineering laboratories is of particular interest. Research indicates that this growth is largely driven by the requirements of provincial departments, especially SANRAL's initiative to utilise SANAS-accredited laboratories for road maintenance projects. Currently, there are 90 SANAS-accredited Civil Engineering laboratories in good standing, distributed across all nine provinces.

Assessor Pool

SANAS remains committed to transforming its assessor pool to better reflect the country's demographics. Currently, over 55% of assessors in both Mechanical and Physical Testing, as well as Legal Metrology, are drawn from PDI groups.

In addition to promoting demographic diversity, SANAS is also addressing generational transformation by introducing young professionals into the accreditation system. During the year under review, the organisation successfully qualified one Team Leader and two Technical Assessors from PDI backgrounds.

Pharmaceutical Laboratories

Ms Lebogang Motsoeneng
Accreditation Manager

Ms Charmaine Morobe
Assessment Specialist

Ms Irene Kali
Team Assistant

Ms Charmain Block
Administrator

Pharmaceutical laboratories play an important role in the monitoring of pharmaceutical products. This is to ensure the safety and efficacy of medicines and disinfectants. The pharmaceutical industry is still at the forefront of ensuring that vaccines and medication is available to assist ordinary citizens in the fight against new diseases, although the number of accredited pharmaceutical laboratories remained the same from the previous fiscal year.

SANAS has accredited six pharmaceutical laboratories, this includes one facility that is responsible for testing some vaccines, including for Polio, Measles and Yellow Fever, as well as the testing of everyday medication from antibiotics and vitamins. In the 2024/25 fiscal year SANAS was still involved in the SABC TC 0041, for Cannabis and Hemp. This Committee comprised of various stakeholders in the Cannabis and Hemp value chain and assists the government in the implementation of the Cannabis and Hemp Masterplan.

Blood Transfusion Facilities

SANAS continues to accredit blood transfusion facilities from the process where blood is donated, the testing of blood and blood products to the blood banks where blood is issued to physicians. The accredited laboratories, blood banks and donor sites work together in ensuring that donated blood is safe for transfusion to a recipient, therefore saving lives. There was a decrease in the number of accredited facilities from 176 to 173 in the 2024/25 fiscal year due to the closure of those sites. The publication of the new ISO 15189: 2022 standard in November 2022, with a three-year transition period as communicated by ILAC, is still in progress. To date 98% of the 173 blood transfusion facilities have successfully transitioned to the ISO 15189: 2022 standard.

No challenges are anticipated in the completion of the transition before the cut-off date.

Veterinary Laboratories

In the field of diagnostic test validation, the World Organisation for Animal Health (OIE) Reference Laboratories have a pivotal role to play. They provide the international community with impartial advice and support in diagnostic test selection, development and validation which can be applied to the specialist diseases for which they are designated.

Veterinary laboratory tests are a very important and useful tool for assisting in the diagnosis of many health problems in animals. These laboratories help veterinarians diagnose diseases which may not be clinically evident, confirm diseases which may be suspected upon clinical examination, and help them to monitor disease progression. Veterinary laboratories will usually offer a range of services, making sure they can provide a comprehensive diagnostic resource for their customers.

SANAS continues to work with the Department of Agriculture (formerly the DALRRD), Animal Health unit, to ensure that all veterinary laboratories (private and provincial) that test controlled, and notifiable diseases are accredited. Furthermore, SANAS also works with the Veterinary Public Health Section to monitor meat and meat products. Working closely with the South African Veterinary Council has also ensured that people working in the veterinary professions practice ethically.

Not only are South Africa's 31 Reference Laboratories critical in the preventing and controlling animal diseases, but they also help in reducing sanitary risks in the import and export of animals and animal products.

Forensic Laboratories

Forensic Science laboratories gather and examine evidence related to crime or unlawfulness, including samples such as hair follicles and DNA, chemical evidence like drugs or bodily fluid components, and physical evidence such as fibre samples, bullet casings, fingerprints, tire tracks, and others. These samples are tested by Forensic Science Laboratories.

The number of accredited Forensic Science Laboratories remained at three in the 2024/25 financial year, which includes facilities that test blood or urine collected from suspects and victims to identify the presence of alcohol or illegal drugs, as well as a DNA testing laboratory. The programme anticipates slight growth in the next fiscal year due to a growing interest from both government and private laboratories in the testing of DNA.

Broad-Based Black Economic Empowerment (B-BBEE) Verification Agencies

Ms. Lindiwe Ncube
Accreditation Manager

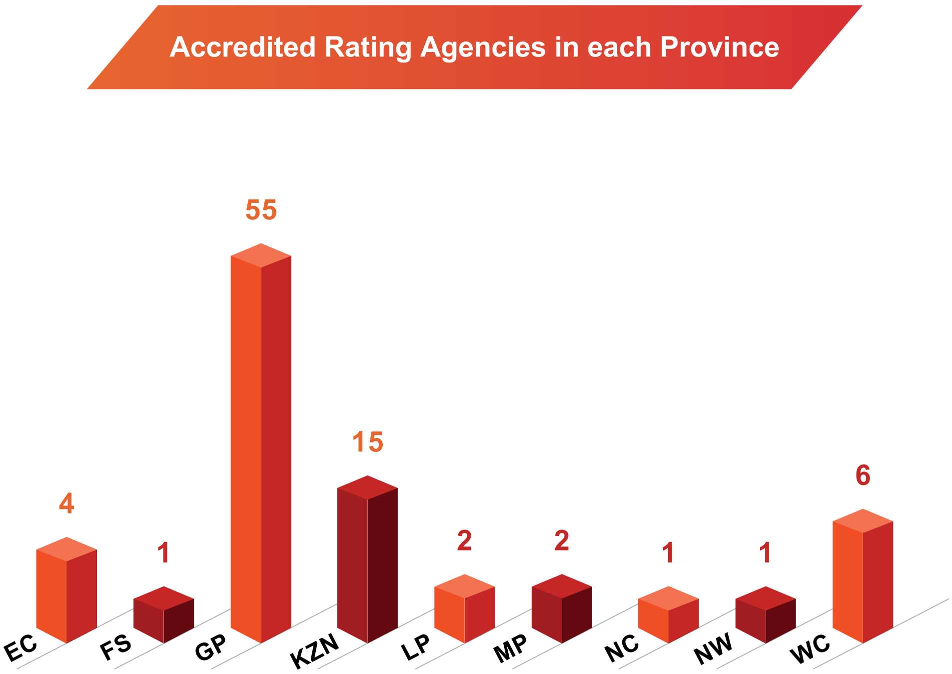
Ms. Mpho Mukhavhuli
Assessment Specialist

Ms Irene Kali
Team Assistant

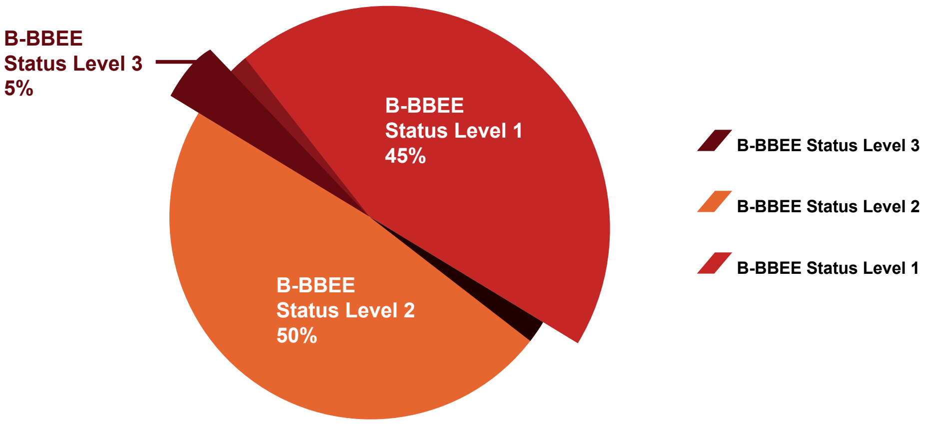
Ms. Shirley Dolamo
Senior Administrator

The B-BBEE programme, through SANAS accreditation, ensures reliable B-BBEE certificates and scorecards, crucial for government and private sector partnerships. With 87 accredited Rating Agencies, including two new additions and the first in the Northern Cape, the programme is expanding. Notably, 72% of assessors are Black, demonstrating the industry's transformation over time.

The chart below shows the number of accredited Rating Agencies in the different provinces:



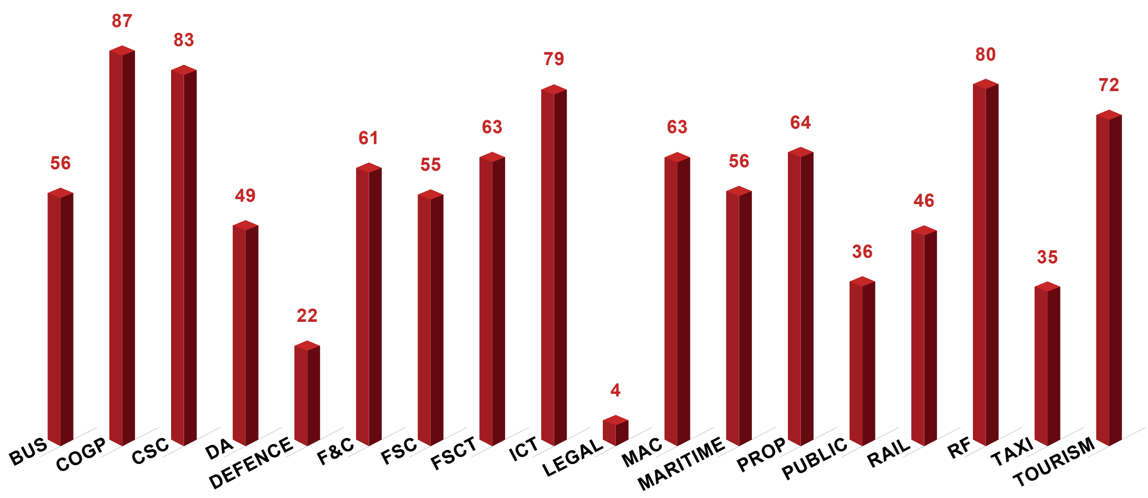
The B-BBEE Rating Agencies are compliant with the Statement 005 of the Broad-Based Black Economic Empowerment Act, 53 of 2003, by demonstrating transformation and by achieving a rating as a Level 1 to 3 contributor to B-BBEE. The significant number of SANAS accredited B-BBEE Rating Agencies are equal or more than 51% black owned. The below pie chart demonstrates the B-BBEE Status Level achieved by the 87 B-BBEE Rating Agencies.



The Sector Specific Codes were gradually introduced in terms of Section 9 (1) of the B-BBEE Act, No. 53 of 2003. The aim of these sector codes is to ensure that the transformation requirements are specific to the applicable sector. The significant number of SANAS accredited B-BBEE Rating Agencies that have extended their scope of accreditation to include the sector specific codes of good practice, ensures that there is sufficient capacity to service the industry.

The chart below shows the capacity of available accredited rating agencies for specific codes:

Accredited Ratings Agencies per Scope



Medical Laboratories

Ms Barbara Mokgethwa
Accreditation Manager

Ms Tati Kubheka
Assessment Specialist

Ms Movha Hellen Morokane
Assessment Specialist

Ms Dimakatso Nyofane
Assessment Specialist

Ms Shiela Moeketsi
Team Assistant

Ms Bongeka Gwalisa
Senior Administrator

Ms Morongwa Moshaba
Senior Administrator

Ms Kgomotso Ntombela
Administrator

In the 2024/25 financial year, the Medical Programme continued to grow from 547 to 564 laboratories. There has been a decline in the withdrawal of accreditation, whereby only 10 withdrawals occurred during the financial year. The Programme has also seen an increase in demand for accreditation, especially from the point of care testing.

Accreditation of new medical laboratories is growing due to the demand for accreditation both in South Africa and elsewhere on the Continent especially in Uganda, and among Private Laboratories in South Africa. To date, SANAS has accredited a total of 92 laboratories outside South Africa. It is envisaged that, as other African countries establish their own internationally recognised National Accreditation Bodies, SANAS will surrender the laboratories following a mutually agreed process.

The Medical Programme has a total of 151 active assessors, of which 76% are PDIs, over-achieving on the set targets for PDIs. The training of Assessors is progressing well, with SANAS qualifying 90% of the Assessors trained in the previous financial year.

The Medical Programme is in the process of transitioning to ISO 15189:2022, which is the standard used for the accreditation of Medical Laboratories, Point of Care Testing (POCT) facilities as well as Blood Transfusion Services Laboratories. The transition for ISO 15189:2022 is progressing well as SANAS started assessing to ISO 15189:2022 as of October 2023.

As of 31 March 2025, 80% of the Medical Laboratories have been assessed and a majority have successfully transitioned to ISO 15189:2022. The transition plan is maintained, and we envisage to meet the deadline as set for December 2025. SANAS is actively involved in the ISO TC212 working group responsible for the revision as well as development of the standards for Medical Laboratories.

Certification Bodies

Mr. John Ndalamo
Accreditation Manager

Ms. Mookho Morienyane
Assessment Specialist

Ms Irene Kali
Team Assistant

Ms Charmain Block
Administrator

Accredited certification is increasingly being recognised as a valuable tool across a wide range of policy areas, including better regulation, good governance, fair markets, and public confidence. This is particularly evident in areas as diverse as healthcare, food production, energy supply, climate change, personal safety, and recently, information security management systems.

SANAS continues to develop and launch market-relevant accreditation schemes for modern management systems, and risk-based systems to achieve business sustainability. This includes management system standards, such as ISO 13485, which has increasingly become an important differentiator for organisations looking to improve their marketability in the medical device sector.

The primary objective of ISO 13485 certification is to facilitate harmonised Medical Devices Quality Management System (QMS) requirements for regulatory purposes within the medical device sector. Companies also value ISO 13485 certification as the confidence of patients and other stakeholders is increased with the implicit promise of quality, consistency, and continuous improvement.

This Sub-Programme also proactively manages the accreditation of management system certification schemes in accordance with ISO/IEC 17021-1, which includes the following:

- Quality management systems (ISO 9001);
- Environmental management systems (ISO 14001);
- Occupational health and safety management (ISO 45001);
- Food safety management systems (ISO 22000);
- Energy management systems (ISO 50001);
- Road transport management systems (SANS 1395-1);
- Information security management systems (ISO/IEC 27001); and
- Asset management systems (ISO 55001) – the most recent addition.

Customer-centricity and brand pride through the provision of strategic leadership is at the core of the SANAS culture and underpins the development of transitional arrangements in standards in information security management systems such as ISO/IEC 27001:2022. While SANAS provides accreditation to other certification schemes in line with ISO/IEC 17065 (Product certification), ISO/IEC 17024 (Personnel certification), ISO 14065 (GHG Verification and Validation), and ISO/IEC 17029, it continues to establish stakeholder partnerships and regulatory alliances in launching industry-relevant accreditation schemes. This includes climate-change schemes that rely on carbon offset registries such as ICAO CORSIA.

All transitional arrangements support compliance with policies aimed at strengthening the SANAS brand and stakeholder interface. Doing so includes proactively monitoring the internal and external risk landscape, and most importantly, the recruitment of a diverse pipeline of qualified individuals representing South African demographics to meet the future accreditation needs in various accreditation schemes.

Institutional Outcomes for Programme 4

- Competitiveness of South Africa's enterprises;
- Organisational sustainability; and
- Government achieving policy objectives (health, safety, environment and regional integration).

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Accreditation								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Competitiveness of South Africa's enterprises	Growth in the number of CABs	Number of accredited Conformity Assessment Bodies (CABs)	2 059 (Cumulative)	An additional 150 CABs were accredited	95 additional CABs accredited	Annual Target Overachieved An additional 127 CABs were accredited*	32 CABs	Higher than expected growth in the number of accredited CABs, especially in the Medical Programme
Competitiveness of South Africa's enterprises	Growth in the number of CABs	Number of applications processed for SAPS Forensic Science Laboratories	New Indicator	Despite undertaking extensive engagements with SAPS, applications for accreditation were not received	3 accreditation applications processed for SAPS Forensic Science Laboratories	Annual Target Not Achieved Despite undertaking engagements with SAPS, zero applications for accreditation were received	3 applications	SAPS did not submit any applications for accreditation
Competitiveness of South Africa's enterprises	Reduced turn-around times	Average number of working days to issue certificates and scopes of accreditation after completion of the approvals process	Certificates and scopes of accreditation were issued within 13 working days on average, after completion of the approvals process	Certificates and scopes of accreditation were issued within 13 working days on average, after completion of the approvals process	Certificates and scopes of accreditation issued within 13 working days on average, after completion of the approvals process	Annual Target Achieved Certificates and scopes of accreditation were issued within 13 working days on average, after completion of the approvals process	Not applicable	Not applicable

Programme: Accreditation								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Competitiveness of South Africa's enterprises	Reduction in "fronting practices"	Number of investigations or unscheduled visits conducted	New Indicator	New Indicator	Engagement undertaken with relevant stakeholders to address challenges related to legislative and reporting requirements on B-BBEE**	Annual Target Achieved Engagement was undertaken with the B-BBEE Commission and the dtic focused on the Legal Sector Codes	Not applicable	Not applicable
Organisational sustainability	Transformation of the Assessor pool	Number of black assessors registered	Twenty additional black assessors were registered during the financial year, thus, increasing the actual total to 324	Twenty additional black assessors were registered	25 additional black assessors	Annual Target Overachieved 27 additional Black assessors were registered	2	More than the anticipated number of Black assessors were ready for qualification, and were registered accordingly
Government achieving policy objectives (Regional Integration, health, safety and environment)	Acceptance of conformity assessment results	Number of engagements undertaken with Regulators relying on SANAS accreditation for their conformity assessment needs	SANAS and SAHPRA concluded the MoU which informed the identification of priority areas and the development of relevant action plans	SANAS undertook engagements with relevant stakeholders on accreditation requirements, in the planned accreditation fields within the regulatory domain.	Maintain accreditation services offered to Regulators through undertaking four engagements with relevant Regulators	Annual Target Overachieved SANAS undertook 6 engagements with relevant Regulators	2	During the financial year opportunities for additional engagements were identified and/or presented themself, which SANAS responded to

* Two CABs that were in fact accredited in Q3, were reported in Q4, due to delays in updating the accreditation register. Such CABs have been retrospectively attributed to Q3 and have been included as part of the APR total of 127 CABs which were accredited during the 2024/25 financial year.
** The Annual Target: Engagement undertaken with relevant stakeholders to address challenges related to legislative and reporting requirements on B-BBEE was included as an additional target in the revised 2024/25 APP, which was approved in Quarter 3.

Linking performance with budgets

Programme	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Accreditation	68 946	77 091	(8 147)	66 935	72 843	(5 908)
Total	**68 946**	**77 091**	**(8 147)**	**66 935**	**72 843**	**(5 908)**

Strategy to overcome areas of under-performance

The target related to processing three accreditation applications for the SAPS Forensic Science Laboratories was not achieved. Despite engagements with the SAPS, SANAS did not receive accreditation applications for processing. In the 2025/26 financial year, SANAS will prioritise continued engagements with the SAPS Forensic Science Laboratories, participate in forensic congress and meetings to enhance SANAS' visibility in the forensic space, and process applications as soon as they are received from SAPS.

Changes to planned targets

There were no changes to the annual targets planned for the 2024/25 financial year. However, during the revision of the 2024/25 APP, the following target was included in the revised APP: Engagement undertaken with relevant stakeholders to address challenges related to legislative and reporting requirements on B-BBEE.

Revenue Collection

Sources of revenue	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Accreditation	97 152	112 487	14 968	89 520	104 192	14 672
Training	10 919	9 841	(1 077)	10 349	8 010	(2 339)
Total	**108 081**	**122 688**	**13 891**	**99 869**	**112 202**	**12 333**

The SANAS accreditation fee income consists of annual fees, and fees for additional accreditation services. The revenue collection policies for those two categories differ. Annual fees must be paid by 31 May each year. Due to economical constraints, the SANAS customer can apply for a 12-month payment plan to pay off their annual fees. Additional accreditation services require that customers pay prior to the provision of the service, to enable travel arrangements.

Additional accreditation services are invoiced upon request of the service; however, the income is only recognised after service delivery. In special circumstances, deviation from the policy is allowed if kept to a minimum to keep control over debtors.

Training revenue is generated by charging for participation in courses offered through the KTD. Although payment is usually required at registration, some clients make arrangements to settle accounts at a later stage. Certificates are not issued until after receipt of full payment.

PART C

GOVERNANCE INFORMATION

1. INTRODUCTION

The Board of Directors is committed to sound corporate governance that ensures the interests of SANAS and its Stakeholders are paramount. Consequently, SANAS subscribes to the principles of transparency, accountability, and business integrity in all its dealings with stakeholders.

As the custodian of corporate governance, the Board ensures that SANAS endorses the King IV Code of Corporate Practices and Conduct and monitors the implementation and compliance through its related committees.

The Board of Directors is cognisant of the benefits of good corporate citizenship, financial and non-financial performance, and to achieve a balance of integrated economic performance, service delivery, and social and environmental performance.

2. PORTFOLIO COMMITTEE

The Portfolio Committee on Trade, Industry and Competition exercises oversight over SANAS' service delivery performance in pursuit of enhancing economic growth. During the period under review, SANAS made several appearances at the Portfolio Committee which included the following:
- Briefing on its APP and budget on 21 August 2024; and
- Supported the presentation of the 2023/24 Annual Report of the dtic 08 October 2024.

3. EXECUTIVE AUTHORITY

In terms of Section 6(2)(b) of the Accreditation Act, the Minister of Trade, Industry and Competition is the Executive Authority, as contemplated in Section 52 of the PFMA. The oversight function of the Executive Authority is generally informed by the prescripts of the PFMA which governs and gives the Executive Authority oversight powers.

Numerous engagements were held with the Executive Authority during the finalisation of the SANAS 2025-2030 Strategic Plan and the 2025/26 APP to ensure alignment with the MTDP and the dtic priorities. Furthermore, all SANAS' Quarterly Organisational Performance Reports for the 2024/25 financial year were timeously submitted to the Executive Authority.

4. ROLES AND RESPONSIBILITIES OF THE BOARD

In addition to the roles and responsibilities that the Board executes in accordance with the prescripts of King IV, the Accreditation Act, and the PFMA, it also undertakes the following:
- Approves the SANAS' Strategic Plan and Annual Performance Plan;
- Monitors the implementation of the plans and approves all budgets;
- Ensures that policies and procedures that provide for effective risk management and internal controls are established and reviewed;
- Recognises the need for establishing and appointing committees to enable it to comply with the PFMA and other legal requirements;
- Determines the composition of committees and amends, develops, and implements any rules, regulations, and procedures, which it may deem necessary;
- Formulates and makes publicly available rules consistent with the provisions of the Accreditation Act, including the form and procedure for applications for accreditation or GLP compliance, fees applicable to different categories of accreditation or GLP compliance, and fees for training or other projects undertaken;
- Monitors the proper use of the name, accreditation body logo or accreditation symbol of the SANAS logo, and the regional and international accreditation logos; and
- Approves all permanent executive positions.

Board members undertake to act in the best interests of SANAS. They do this by ensuring adherence to legal standards of conduct, by seeking independent advice in connection with their duties following an agreed procedure, by disclosing real or perceived conflict-related matters to the Board, and by dealing with the matters accordingly.

5. BOARD CHARTER

In terms of the Board Charter, P 08, Governance and Procedures of the SANAS Board and Delegations to the CEO, the Board shall:

- Approve and monitor implementation of the strategic plan;
- Ensure establishment and review of policies and procedures which provide for effective risk management and internal controls;
- Formulate rules consistent with the provisions of the Act, including:
  - form and procedure for applications for accreditation;
  - accreditation fees;
  - training fees;
  - proper use of the name, accreditation body logo or accreditation symbol of SANAS; and
  - proper use of regional and international logos (e.g., AFRAC, ILAC and IAF).
- Approve all permanent positions of SANAS Executives and above;
- Approve all budgets;
- Be responsible for information technology governance;
- Appoint the CEO, after consulting the Minister;
- Be responsible to appoint a Board of Appeals; and
- Approve all powers delegated to the CEO and the Board related committees.

6. COMPOSITION OF THE BOARD

The unitary structure of the Board encourages robust interaction among members of the Board of Directors in the decision-making process on strategy, performance, planning and the allocation of resources, risk, ethics, and communication with stakeholders. In terms of the Accreditation Act, the Board should consist of no less than ten and no more than fifteen members.

The Board currently comprises of ten members, all of whom are appointed by the Minister of Trade, Industry and Competition as the Executive Authority of SANAS. There are eight Non-Executive Directors and two Executive Directors. All Non-Executive Directors are independent of the management function of SANAS and have no conflict of interest with the business of SANAS.

The Board provides strategic direction and is the legally accountable body for the daily operations of SANAS. The performances of the Board members are evaluated annually to ensure their effectiveness and to identify any areas that need improvement. A self-evaluation exercise was conducted during the year under review. The Company Secretary compiled a report. The performance of the Board was deemed to be of a high standard.

7. MEETINGS ATTENDED BY BOARD MEMBERS

Name	Designation	Date appointed	Date resigned	Date appointment period ended	Area of Expertise	Other Committees or Task Teams
Dr Tshenge Demana	Independent Non-Executive Director	1 January 2018	N/A	N/A	Science Strategy Governance Management Drafting Legislation	Human Resources and Remuneration Committee member
Amb. Sadick Jaffer	Independent Non-Executive Director	1 September 2021	N/A	N/A	Investment promotion and facilitation	Audit and Risk Committee member
Mr Sammy Mlangeni	Independent Non-Executive Director	1 December 2018	N/A	N/A	Engineering Aviation Management Information Technology	Audit and Risk Committee Member and Information and Communications Technology Strategy Sub-Committee
Dr Sarah Mohlala	Independent Non-Executive Director	1 December 2018	N/A	N/A	Science	Human Resources and Remuneration Committee Member and Audit and Risk Committee Member
Ms Lerato Mothae	Independent Non-Executive Director	1 December 2018	N/A	N/A	Accountancy Finance	Chairperson of the Audit and Risk Committee
Ms Irene Ramafola	Independent Non-Executive Director	1 September 2021	N/A	N/A	Auditing Forensics Finance	Audit and Risk Committee Member
Mr Mpho Phaloane	Executive Director	1 December 2018	N/A	N/A	Engineering Management Accreditation	N/A
Mr Farhad Osman	Executive Director	1 December 2023	N/A	N/A	Strategy Development Performance Management	N/A
Ms Lindi Tlou	Independent Non-Executive Director	1 December 2018	N/A	N/A	Administration Accreditation	Interim Chairperson of the Board Human Resources and Remuneration Committee Member
Ms Thandi Phele	Independent Non-Executive Director	22 July 2024	N/A	N/A	Governance, Finance and Government Sectors	N/A

8. COMMITTEES

The Board of Directors formally delegates the duties of management through different structures, such as the responsibility and accountability for operations to the Executive Management Committee. The Board's Committees are appointed according to the required skills set. The current Committees are the Human Resources and Remuneration Committee and the Audit and Risk Committee.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee provides the Board of Directors with recommendations on policy matters regarding the following:

- The CEO recruitment and appointment;
- Employee recruitment, benefits, incentives, and bonus arrangements;
- Succession and retention planning for the CEO and senior employees;
- Scarce and critical skills; and
- Equity targets.

The Human Resources and Remuneration Committee held six meetings during the year under review. The Committee confirms that it has conducted its affairs in accordance with its terms of reference, and that it has discharged all responsibilities delegated to it by the Board.

The roles and responsibilities of the Human Resources and Remuneration Committee include the following:
- Annual review of the remuneration terms and conditions, and making recommendations to the Board;
- Consideration of any changes to the employee benefit structures and making recommendations to the Board;
- Consideration of the remuneration, incentive, and benefit arrangements of the CEO - including pension rights and any compensation payments, and making recommendations to the Board;
- Consideration of the cost-of-living increases, performance bonus awards, changes to employees' terms and conditions and any other related activities, and making recommendations to the Board;
- Review of the human resources strategy and policies, and making recommendations to the Board;
- Promotion of a culture of excellence throughout SANAS; and
- Ensuring compliance with applicable legislation and regulations.

Human Resources and Remuneration Committee Membership and Attendance

The Human Resources and Remuneration Committee currently comprises of three Non-Executive Directors.

The following table depicts the meeting attendance of members of the Human Resources and Remuneration Committee during the year under review.

Board Member	Meeting Attendance Records			
	22 April 2024	30 July 2024	23 October 2024	27 January 2025
Dr Tshenge Demana	P	P	P	P
Dr Sarah Mohlala	P	P	P	P
Ms Lindi Tlou	P	P	P	P

*p – present, ap – apology, and a –absent.

Audit and Risk Committee

The Audit and Risk Committee is an independent statutory committee appointed by the Board, which delegates duties and responsibilities to it in accordance with Section 77 of the PFMA. In terms of Section 51(1)(a)(ii) of the PFMA, the Board, as the Accounting Authority, must ensure that SANAS has, and maintains, a system of internal audit under the control and direction of the Audit and Risk Committee.

The function of the Audit and Risk Committee is to assist the Board in discharging its duties relating to the safeguarding of assets and liabilities, and the operation of adequate systems of control. It is also tasked with reviewing financial information and preparing the annual financial statements.

The Audit and Risk Committee's functions are formalised in a Charter approved by the Board and annually reviewed to ensure compliance. During the period under review, the Audit and Risk Committee conducted its affairs in accordance with the Charter and discharged its responsibilities as required by the Charter, the Companies Act, 71 of 2008, and the prescripts of the King IV Code of Governance.

The Audit and Risk Committee's terms of reference are formalised in a Charter approved by the Board and annually reviewed to ensure compliance. During the period under review, the Audit and Risk Committee conducted its affairs in accordance with the Charter and discharged its responsibilities as required by the Charter, the Companies Act, 71 of 2008, and the prescripts of the King IV Code.

Audit and Risk Committee's Responsibilities

The Audit and Risk Committee has adopted appropriate terms of reference in accordance with the requirements of Section 77 of the PFMA and Treasury Regulation 27.1 and conducted its affairs in compliance with those terms of reference, and the Audit and Risk Committee's Charter.

The Audit and Risk Committee ensured compliance with the relevant provisions of the Shareholders' Compact between SANAS and the dtic. This Committee performs an oversight function and advises the Board of Directors on carrying out its responsibilities. The responsibilities include matters relating to finance, management and other reporting practices, internal controls and risk management, integrated reporting, combined assurance, information technology governance, and compliance with laws, regulations, and ethics.

The Audit and Risk Committee reports to the Board on any matter identified while carrying out its duties that it considers significant. The Audit and Risk Committee performs, on behalf of the Board of Directors, any other tasks, or actions that the Board may authorise from time to time.

Responsibilities of the Audit and Risk Committee, in addition to the above, are as follows:
- Reviews and assesses the adequacy of management reporting to the Board regarding the quantity, quality, and timing of information necessary for internal and external reporting on SANAS' operations and financial condition;
- Reviews the accounting policies and practices in alignment with the applicable statutory requirements and generally accepted accounting principles and evaluation of SANAS' financial statements for reasonability and accuracy;
- Satisfies itself about the integrity and prudence of management control systems - including the review of policies and practices;
- Ensures that the Board and Management Team are aware of any matters that might have a significant impact on the financial condition or affairs of SANAS; and
- Monitors the accomplishment of established objectives through the mission statement, business plan, and transformation process.

Audit and Risk Committee Membership and Attendance

The Audit and Risk Committee comprises of five members, with the Chairperson being a Non-Executive Director. During the year under review, the Audit and Risk Committee held eleven meetings.

The following table depicts the attendance of the members of the Audit and Risk Committee in the year under review.

Board Member	Meeting Attendance Records										
	24 April 2024	16 May 2024	30 May 2024	22 July 2024	24 July 2024	25 Oct 2024	28 Nov 2024	09 Nov 2024	24 Jan 2025	20 March 2025	26 March 2025
Dr Sarah Mohlala	P	P	P	P	P	P	P	P	P	P	P
Mr Sammy Mlan-geni	P	P	P	P	P	P	P	P	P	P	P
Amb. Sadick Jaffer	P	P	P	AP	AP	P	P	P	P	P	P
Ms Lerato Mothae	P	P	P	P	P	P	P	P	P	P	P
Ms Irene Ramafola	AP	P	P	AP	P	AP	P	P	P	P	AP

*p – present, ap – apology, and a –absent.

Remuneration of Board Members

The members of the Board receive fees for attending meetings in accordance with the National Treasury's determination. The Board's remuneration is based on SANAS' classification as a Schedule 3A entity. Board members that are employed by an organ of state are not entitled to remuneration.

Name	Remuneration	Other allowance	Other re-imbursements	Total
T Demana	R6 423	R0	R0	R6 423
S Mlangeni	R127 621	R0	R0	R127 621
L Tlou	R166 054	R0	R0	R166 054
L Mothae	R170 683	R0	R0	R170 683
S Mohlala	R147 179	R0	R0	R147 179
S Jaffer	R15 597	R0	R0	R15 597
F Wetes	R29 738	R0	R0	R29 738

9. RISK MANAGEMENT

The Board acknowledges that it is responsible for the entire process of risk management, and the effectiveness of the process. The Audit and Risk Committee is mandated to assess the effectiveness of SANAS' risk management process. The SANAS Management Team is accountable for designing, implementing, and monitoring the process of risk management, and integrating it into SANAS' day-to-day activities.

During the period under review, and under the supervision of the Audit and Risk Committee, SANAS' Management Team assessed, reviewed, and updated the organisational risk management framework. The framework was implemented in all streams and business units to ensure that risks are understood, and that the controls necessary to mitigate these risks are in place.

The Audit and Risk Committee performs an oversight function and advises the Board primarily on matters relating to risks that SANAS faces and may be exposed to. The Audit and Risk Committee undertakes the following:

- Monitors the major risk areas, including financial, legal, and fiscal risks, the internal control environment, and the control process;
- Monitors areas that expose SANAS to potential financial risks and ensures that SANAS' Management Team effectively manages the risks;
- Ensures that an effective system of accounting and internal control is established and maintained to manage financial risks;
- Oversees the development and annual review of the risk management framework and makes recommendations to the Board for its approval;
- Monitors the implementation of the risk management framework by means of risk management systems and processes, and quarterly reports;
- Makes recommendations to the Board concerning SANAS' levels of risk tolerance and appetite;
- Obtains assurance that risks are managed within the levels of tolerance and appetite as approved by the Board;
- Ensures that the Risk Management Plan is widely disseminated throughout SANAS, and integrated into its day-to-day activities;
- Obtains assurance that risk management assessments are performed on an ongoing basis;
- Obtains assurance that frameworks and methodologies are implemented to increase the ability to anticipate unpredictable risks;
- Obtains assurance that SANAS considers and implements appropriate risk strategies and responses;
- Obtains assurance that continuous risk monitoring by SANAS takes place;
- Liaises closely with the Human Resources and Remuneration Committee to exchange information relevant to risk;
- Expresses its formal opinion to the Board on the effectiveness of the system and process of risk management; and
- Reviews reports concerning risk management for comprehensive, relevant, and timely inclusion in the integrated reporting.

10. INTERNAL CONTROL

SANAS maintains internal controls and systems designed to provide reasonable assurances about the integrity and reliability of the financial statements and performance information. The controls and systems must adequately safeguard, verify, and maintain accountability for its assets. The controls are based on established policies and procedures and are implemented with appropriate separation of duties and responsibilities. The internal audit function operates under the direction of the Audit and Risk Committee, which approves the scope of the work. Findings, as well as progress against related management actions, are reported to the Audit and Risk Committee.

11. COMPLIANCE WITH LAWS AND REGULATIONS

The Board, with the assistance of the Audit and Risk Committee, ensures that SANAS' Management Team has the necessary mechanisms in place to comply with legislation and regulations governing its activities.

This responsibility entails:

- Reviewing policy documents, to ensure incorporation of laws, regulations, ethics and policies, and the reviewing of rules that ensure compliance and address conflicts of interest;
- Monitoring compliance with policies and procedures;
- Noting and addressing significant cases of employee conflict of interest, misconduct or fraud, and the resolution of related cases;
- Reviewing the internal auditor's report on the scope of compliance reviews, and the resolution of findings and follow-up on recommendations;
- Monitoring developments and changes in legislation regarding the accountability, responsibilities, and liabilities of SANAS' Management Team, and monitoring and reviewing the extent to which SANAS' Management Team meets its obligations;
- Monitoring developments and changes in the legislation and regulations that relate to SANAS' operations; and
- Monitoring and reviewing the extent to which SANAS complies with such legislation.

12. FRAUD AND CORRUPTION

SANAS manages fraud, corruption, theft, maladministration, and any other dishonest activities in accordance with its Anti-fraud and Corruption Policy, and its Fraud Prevention Plan and Anti-fraud Charter.

SANAS employees are obliged to report all incidents of fraud, corruption, theft, maladministration, and any other dishonest activity to their manager/s. If employees are uncomfortable with reporting the matter to their manager/s, they need to report the matter to the superior of their manager/s, with recourse to the CEO. Employees may also report the matters to the Human Resources Department for reasons of anonymity or otherwise.

All SANAS Managers are responsible for the detection, prevention and investigation of fraud, corruption, theft, maladministration, and any dishonest activities of a similar nature within their areas of responsibility.

SANAS will take appropriate legal recourse to recover losses or damages arising from fraud, corruption, theft, or maladministration. The accountability to conduct investigations regarding allegations of fraud, corruption, theft, maladministration, and any other dishonest activity resides with the CEO.

13. MINIMISING CONFLICT OF INTEREST

SANAS, as part of the dtic's Council of Trade and Industry Institutions (COTII), acknowledges the importance of ensuring the mitigation of potential conflicts of interest and has therefore implemented measures to ensure that possible conflicts of interest do not exist.

SANAS has also implemented processes and procedures to mitigate possible associated risks emanating from instances where a perceived conflict of interest cannot be avoided.

14. CODE OF CONDUCT

SANAS subscribes to the Public Service Code of Conduct detailed in the Public Service Regulations. The provisions of this Code of Conduct have been integrated into SANAS' Code of Ethics and Business Conduct Procedures. The Code of Conduct provides the guidelines for ethical conduct expected from SANAS employees in their individual conduct and in their relationships with others.

There is a strong emphasis on adherence to the SANAS Code of Ethics to promote awareness of its values and accountability within the Entity. Compliance with the Code of Conduct is expected to enhance professionalism and help to contribute to confidence within SANAS.

The SANAS Code of Ethics and Business Conduct addresses the following:

- SANAS' values;
- The framework for identifying SANAS employees' conduct that is ethical and acceptable;
- The context for the ethical use of authority; and
- The alignment of SANAS' guidelines for ethical behaviour with those of the public service.

Failure to comply with any provisions of the Code of Conduct is interpreted as a violation of SANAS' values. The Code of Conduct makes provision for employees that are non-compliant to it to be dealt with according to the Entity's grievance and/or disciplinary process.

15. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

SANAS has a Health, Safety, Security, and Emergency Response Procedure, which provides principles and guidelines to ensure healthy and safe working conditions for employees, prevention of health hazards in the workplace, and the effective handling of emergency situations.

SANAS is committed to availing the necessary resources to actively manage occupational health and safety, and environmental issues in alignment with the Occupational Health and Safety Act of 1993.

16. COMPANY SECRETARY

The Company Secretary oversees corporate governance and is responsible for assisting the Board to ensure that it adheres to the principles of sound corporate governance. The Company Secretary has an ipso facto relationship with the Board and informs the Board of any legislation, regulations or policies that affect SANAS, and any related non-compliance.

During the year under review, the Company Secretary assisted the Board in providing ongoing training for Board members on the implications of King IV—the corporate governance standard for South Africa.

17. SOCIAL RESPONSIBILITY

SANAS is committed to contributing to the development and economic growth of South Africa. As part of this commitment, SANAS adopts and supports identified establishments in disadvantaged communities. The SANAS Corporate Social Investment (CSI) strategy is part of the overall B-BBEE strategy and places strong emphasis on supporting orphanages, vulnerable children, persons with disabilities, the elderly, and other disadvantaged institutions, aiming to make a meaningful and sustainable impact in their lives.

Corporate Social Investment

During the period under review, SANAS continued to implement its Corporate Social Investment (CSI) initiatives in line with its commitment to supporting disadvantaged communities. The organisation maintained its support to existing CSI beneficiaries through targeted skills development programmes.

SANAS identified and partnered with Via Nova School, an institution that caters to children and youth with special needs. In collaboration with the school, SANAS facilitated training aimed at upskilling teachers to enhance the quality of support provided to the learners.

Further support was extended to Mamelodi SOS Children's Village, which accommodates vulnerable children and youth. Selected individuals from the township were enrolled in Reception and Telephone Skills training to improve their communication and employability skills.

These interventions reflect SANAS' continued focus on contributing meaningfully to institutions serving orphans, vulnerable children, persons with disabilities, and other disadvantaged groups within communities surrounding its operations.

Impact Monitoring of CSI project

SANAS ensures that all CSI initiatives are supported by effective monitoring and evaluation processes. These mechanisms are implemented to assess the impact and outcomes of CSI contributions while ensuring continuity and sustainability.

During the reporting period, SANAS conducted monitoring interventions on the training programmes attended by its CSI beneficiaries. As a result of these initiatives, two youth participants successfully secured employment, demonstrating the positive impact of the organisation's investment in skills development.

18. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (Committee) is pleased to present its Report for the financial year end on 31 March 2025.

Audit and Risk Committee Responsibility

The Committee has operated within the approved Committee Charter and complied with all governing legislation in executing its responsibilities in terms of the PFMA and Treasury Regulations, as well as the King IV requirements.

The Committee also reports that it has adopted appropriate formal terms of reference, as its Audit Committee Charter, has regulated its affairs in compliance with its Charter, and has discharged all its responsibilities as contained therein.

Key Committee Activities

Statutory Duties

The roles and responsibilities of the Committee as per Section 51(1) (a)(ii) and Section 76(4)d of the Public Finance Management Act, National Treasury Regulations Section 27 (1) and the requirements of the KING IV Code of Corporate Governance include:

- To assist the Board in its evaluation of the adequacy and effectiveness of the internal control systems, governance, accounting practices, information systems, risk management and auditing processes applied within SANAS' day to day management of its business;
- To facilitate and promote communication between the Board, Management, the External Auditors and Internal Auditors on matters which fall within the responsibilities of the Committee;
- To ensure the risk and compliance areas of SANAS operations are covered in the scope of Internal and External audits;
- To ensure the accounting and auditing concerns identified from the Internal and External Audits conducted during the period under review are addressed;
- To ensure SANAS' compliance with legal and regulatory provisions, the Accreditation Act and the PFMA as well as the Treasury Regulations; and
- To ensure the independence and objectivity of the Internal and External Auditors.

Internal Controls

The Committee undertook the following primary activities in assessing the effectiveness of the internal controls:

- Reviewed Risk Reports.
- Reviewed SCM Reports.
- Reviewed the Audit Action Plans.
- Reviewed the Quarterly Legal Reports.
- Reviewed the framework for establishing effectiveness of policies and procedures relevant to this Committee.
- Established a framework for determining SANAS' compliance with significant legal and regulatory provisions.
- Reviewed the controls over significant financial and operational risks.
- Tabled and discussed Internal Audit Reports at each meeting.
- Reviewed the annual report and financial statements to ensure that they present a balanced and understandable assessment of the position, performance, and prospects of SANAS.

The key outcomes following the above assessment procedures include the internal financial controls and systems, which are satisfactory.

Whistleblowing

The Committee considered all matters received via the whistleblowing hotline.

External Auditors

The Committee independently engaged with External Audit and is satisfied that it has adequately discharged its legal and regulatory responsibilities.

The Committee has reviewed and accepted the External Auditor's final Management Report and Audit Opinion relating the Annual Financial Statements, Audit of Performance Information and Compliance with legislation as well as the audit findings issued, which are to be addressed in accordance with the mitigation action plans as agreed between SANAS and the External Auditors.

Evaluation of Annual Financial Statements

The Committee has:

- Reviewed the appropriateness of accounting policies;
- Reviewed the appropriateness of assumptions made by Management in preparing the Annual Financial Statements;
- Reviewed the significant accounting and reporting issues, and understood their impact on the Annual Financial Statements;
- Reviewed the Annual Financial Statements and considered that they are complete, consistent with prescribed accounting practices and information known by the Committee; and
- Obtained assurance from Management with respect to the completeness and accuracy of the Annual Financial Statements.

Governance of Risk

The Committee has continued to fulfil its oversight role regarding:

- Enterprise risk management; and
- Combined Assurance.

Areas of enhancement have been raised by the Committee in relation to:

- Compliance Management;
- Anti-Corruption and Fraud; and
- Business Continuity Management.

Internal Audit

The Committee discharged its responsibility to approve the annual and three-year rolling plan and consider Internal Audits quarterly reports and the mitigation action plans as agreed between SANAS and Internal Audit.

The Committee further ensured that Internal Audit remained independent, objective and has the necessary resources, standing and authority within SANAS to enable it to discharge its duties.

Conclusion

The Committee recommended the approval of the 2024/2025 Audited Annual Financial Statements and the audit opinion thereon at its meeting held on 25 July 2025 and these Annual Financial Statements and audit opinion were duly approved by the Board on 31 July 2025 to be included in the SANAS Annual Report for the financial year ended 31 March 2025.

Ms Lebogang Matlala
Chairperson of the Audit and Risk Committee
SANAS

19. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

As part of the transformation strategy, SANAS continues to deliver on the transformation agenda of South Africa. SANAS does this by striving to transform the economy, through allowing meaningful participation by Black people in the economy with the focus on community support, enterprise development and supplier development, amongst others. One of the tools used to measure progress in this area is through the annual verification of the B-BBEE contribution status and compliance.

During the period under review, SANAS focused on appointing the B-BBEE Consultant, to assist in improving the status of the organisation.

Skills Development as a Contribution Towards B-BBEE

During the reporting period, SANAS implemented targeted efforts to promote its 24-month internship programme. The primary objective of the programme is to provide youth with practical work exposure, particularly targeting students who require Work Integrated Learning (WIL) as a prerequisite for completing their academic qualifications and obtaining a National Diploma. This initiative forms part of SANAS's broader commitment to skills development and youth empowerment in line with national priorities.

As a result of these efforts, two interns were appointed during the year under review. In the current financial year, the plan will be to add two additional interns. It is believed that by preparing the interns and giving them sufficient experience, their employability chance will increase and thus contribute towards alleviation of unemployment in the country.

B-BBEE Compliance Information

Has the Public Entity applied any relevant Code of Good Practice (BBBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	SANAS issues accreditation certificates to organisations that meet all compliance requirements. These certificates enable participation in key economic activities and support the credibility of conformity assessment services in South Africa.
Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management department has implemented relevant procedures to give effect to the Preferential Procurement Policy (FP02-08), ensuring alignment with applicable regulatory requirements and promoting equitable supplier participation.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not applicable
Developing criteria for entering partnerships with the private sector?	No	In adherence to the principle of impartiality, SANAS does not engage in partnerships that may compromise its objectivity or create a conflict of interest.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	SANAS is working in collaboration with SEDA to establish and maintain a continuous partnership aimed at supporting small business development and enhancing access to accreditation services.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PART D
HUMAN RESOURCE MANAGEMENT INFORMATION

1. INTRODUCTION

The Human Resources Department is responsible for ensuring that SANAS is capacitated to deliver on its mandate in terms of the Accreditation Act to respond to the different requirements and expectations of customers. The key objective of the Human Resources Management function is to promote organisational effectiveness through creating a fit for purpose entity, improving all the key touch points of employee life cycle as well as complying with statutory requirements.

At SANAS we succeed through our people and, therefore, consider them as the most valued assets. The culture at SANAS is cultivated through the compelling Employee Value Proposition (EVP) embedded in its core values. This, in turn enables SANAS employees to meet the customer and shareholders requirement.

2. ACHIEVEMENTS AT A GLANCE

During the year under review, SANAS embarked on organisational climate survey, identified corrective actions and implemented various actions. Furthermore, SANAS automated some HR processes aimed at enabling efficiency and enhancing the turnaround times for employee requests. The automation was monitored and evaluated and proved to have contributed to assisting management in making management decisions based on easily accessible information.

HR has ensured business continuity and effectiveness by consistently maintaining a low vacancy rate. SANAS has successfully managed to maintain the vacancy rate target of below 5%, although challenges were experienced in filling some key roles. This has been achieved through various interventions amongst which being multiskilling of employees, job enrichment and strategic succession planning. SANAS is also strengthening its talent pipeline by allowing capable employees to act in certain positions, as a way to train them should a need arise for a resource in such a role. This is done to provide employees with an opportunity to act and be developed, whilst strengthening their experience and promoting organisational effectiveness and sustainability.

SANAS is committed to promoting a learning culture by developing its employees through learning and development initiatives and interventions that promote business continuity, through interventions such as in-house training, on the job training, job enhancements, and workshops, among others. In support of this, 19 bursaries were awarded to qualifying staff members who applied for funding. A total of 46 employees were also exposed to various short courses, workshops and training interventions.

Skills gap analysis is conducted annually to ensure that employees have relevant skills and competencies to deliver on the mandate and evolving strategic objectives.

During this period, all compliance reporting was done in the form of the Employment Equity Report, the Workplace Skills Plan and Annual Training Report. Details are provided in the tables below.

Description	Metrics
Employees bursary spent	R749 065
Number of employees that received bursaries	19
Short courses, workshops, training spend	R352 443
Number of people who were trained	46
Number of wellness engagements with employees	14
Number of training interventions (excluding bursaries)	23
Internal customer satisfaction level	4/5

3. EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

In an environment where operational excellence is critical, SANAS acknowledges the need to continuously support the performance of its employees. The SANAS Performance Management Framework is based on a balanced scorecard philosophy and balanced scorecard principles. The value of excellence is entrenched in the performance process to ensure efficiencies and to positively impact on customer satisfaction. The performance management process is intended to enhance performance and provide guidance and support, whilst ensuring that it is interactive and non-punitive.

SANAS believes that the success of every performance management system lies in the effectiveness of its implementation, expected outcomes, achievements and development initiatives identified through stretched assignments.

During the year under review, performance of staff was maintained at an acceptable performance level in line with the framework. All employees were kept up to date with the entity's strategic direction and link to performance management to ensure that there is harmonisation of key performance indicators to the approved strategic and annual performance plans.

4. EMPLOYEE WELLNESS PROGRAMMES (EWP)

SANAS is committed to enhancing employee well-being to foster performance excellence both at work and in their personal lives. The Employee Wellness Programme (EWP), managed through a contracted partner, Lyra, provides employees and their immediate families with access to support in medical, psychological, financial, legal, and emotional matters. Services are available via phone, email, or in-person.

Throughout the reporting period, Lyra reported on the utilisation of its services, with common challenges including anxiety, stress, fear, uncertainty, and financial concerns. In response, SANAS promoted healthy lifestyles and a positive work environment through internal communications and wellness events aimed at addressing these issues.

5. POLICY DEVELOPMENT

Several procedures linked to the SANAS Human Resources Policy have been reviewed to ensure alignment with legislative amendments and contribute to SANAS positive work climate. Furthermore, an effort is made to always solicit employee contributions and views when reviewing and/or developing procedure/s to promote employee engagement and further ensuring familiarity with the content(s) of the procedures. This level of engagement and awareness with employees ultimately mitigates workplace transgressions.

6. RESOURCING CHALLENGES

SANAS' ability to sustain and grow its existing customers and programmes, integrate new programmes, and support accreditation depends on its ability to attract, develop, and retain talent which will enable the entity to keep pace with the growing demand for its services.

The model of SANAS' business requires employees that possess technical and managerial capabilities. During this period, the major challenge experienced was related to sourcing individuals with the required technical skills and experience. Creating a talent pool also ensures that there is constant development of employees in all the relevant programmes

7. FUTURE PLANS AND GOALS

The future plans of the HR Department include the continuous development of employees, leadership development programme implementation, consistent, ongoing communications and engagement with staff, fostering a positive organisational climate, improved talent management interventions, monitoring and evaluation of the HR system, performance contract enhancement and measuring the impact of such interventions.

There is a concerted effort to contribute effectively to economic transformation and to improve SANAS' B-BBEE contribution level. SANAS managed to attain the services of a B-BBEE agency to develop a strategy aimed at promoting SANAS contribution level by focusing on interventions that promotes priority skills, support suppliers and focused on enterprise development.

SANAS is making a concerted effort to improve staff morale and to contribute to economic transformation by implementing progressive interventions and policies, including bursaries for employee dependents, total reward policy and review of staff bursaries.

8. COMPETENCIES AND SKILLS

SANAS believes that having the right capabilities means more than attracting and retaining exceptional people as it also provides an opportunity for upskilling and/or reskilling its employees. SANAS ensures that all the required competencies necessary for its success are reviewed and enhanced accordingly, in line with the organisational competency library.

The context of the review of the competency library is in alignment with SANAS' mandate. Employees' training is aligned with competency gaps and other needs identified as part of the performance management system. Building the right capabilities is a strategic imperative for SANAS' success and growth. This key focus area embraces the benefits of instilling a culture of continuous learning.

In the year under review, SANAS invested a total of R 1 101 508 in courses, training programmes, workshops, and bursaries, as reflected in the table below.

Training Costs

Activity	Training Expenditure	Number of employees
Bursaries	R749 065.00	19
Short courses, workshops, training interventions	R352 443.00	46

Feedback received from various surveys confirmed that participants extracted value from the training. Planning for future training will be informed by additional skills gaps identified during the individual performance reviews.

9. INTERNSHIPS

SANAS is committed to equipping interns with essential skills that enhance their employability, thus contributing to job creation and supporting economic transformation in line with B-BBEE provisions.

In the 2024/25 financial year, SANAS advertised its internship programme, aiming to attract youth who require Work Integrated Learning (WIL) to complete formal qualifications. By March 2025, two interns were appointed on 24-month contracts. The recruitment process for additional interns is ongoing, with further placements expected in the new financial year.

10. HUMAN RESOURCES STATISTICS

Remuneration, Recognition and Rewards

Employee Recognition and Long Service Awards

As part of the SANAS Recognition and Awards System, the organisation continued to acknowledge and celebrate employee commitment and service excellence. In the year under review, 19 employees were recognised for their long service, ranging from five to twenty years.

The tables below reflect key Human Resources related expenditure and information.

Personnel Cost by Programme

	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	Number of employees	Average personnel cost per employee (R'000)
Administration*	8 818	13%	10	878
Corporate services	14 373	21%	17	845
Strategy and Development**	9 588	14%	9	1 065
Accreditation	32 191	50%	40	805

*The Administration Programme includes the Office of the CEO however the post of CEO is currently vacant

**The staff within Strategy & Development consist mainly of Senior Management and Skilled Personnel.

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)*	% of personnel exp. to total personnel cost (R'000)	No. of employees*	Average personnel cost per employee (R'000)
Senior Management	8 806	13%	4	2 201
Professional qualified	38 100	55%	31	1 229
Skilled	21 256	31%	37	574
Semi-skilled	1 081	2%	3	360
Unskilled	257	0%	1	257
TOTAL	**69 658**		**76**	

*Figures include 2 fixed-term employees

Performance Rewards

During the 2024/25 financial year, an amount of R3 261 322 was provisioned for the payment of performance bonuses. The amount is yet to be paid, pending the outcome of a case before the Commission for Conciliation, Mediation and Arbitration (CCMA).

Programme	Performance Rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0
Senior Management	0	0	0
Professional qualified	0	0	0
Skilled	0	0	0
Semi-skilled	0	0	0
Unskilled	0	0	0
TOTAL	**0**	**0**	**0**

Employment and Vacancies

No. of Employees	Approved Positions	No. of Employees	Vacancies	% of vacancies
Top Management	1	Acting	1 (Acting)	1,3%
Senior Management	4	4	0	0%
Professional qualified	32	31	1 (Acting)	1,3%
Skilled	38	37	1	1,3%
Semi-skilled*	1	3*	0	0%
Unskilled	1	1	0	0%
TOTAL	**77**	**76**	**3**	**3,9%**

*Includes Fixed-term Employees

Employment Changes

SANAS had a total of 76 employees by the end of the reporting period. There were two appointments on Senior Management level, three appointments on professional qualified level, two appointments on semi-skilled level and three terminations within the reporting period.

The table below provides information on changes in employment over the financial year.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	0 (Acting)	Acting	Acting	0 (Acting)
Senior Management	4	2	2	4
Professional qualified	29	3	1	31
Skilled	37	0	0	37
Semi-skilled*	1	2*	0	3
Unskilled	1	0	0	1
Total	**72**	**7**	**3**	**76**

*Includes Fixed-term Employees

Note: Terminations refers to resignations, retirement or expiry of contracts.

Reasons for Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	0	0%
Dismissal	0	0%
Retirement	2	2,63%
Ill health	0	0%
Expiry of contract	0	0%
Other	1	1,31%
Total	**3**	**3,94%**

Labour Relations: Misconduct and Disciplinary Action

SANAS is committed to uphold good labour practices and a working environment that entrenches the rights of all employees to be treated with fairness, equality, and respect. SANAS continuous to have an open-door policy that contributes to building and maintaining cross-cutting employee relations practices. Employees are free to exercise their right of belonging to a trade union.

The table below shows the nature of disciplinary action taken in the year under review:

Nature of disciplinary Action	Number
Counselling	0
Verbal warning	4
Written warning	2
Final written warning	1
Dismissal	0

The tables below provide employment equity statistics per category.

Equity Target and Employment Equity Status

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	1	1	0	0	0	0	0	0
Professional qualified	16	16	0	1	0	0	2	2
Skilled	28	28	3	2	0	0	1	1
Semi-skilled*	3	1	0	0	0	0	0	0
Unskilled	1	1	0	0	0	0	0	0
TOTAL	**49**	**48**	**3**	**3**	**0**	**0**	**3**	**3**

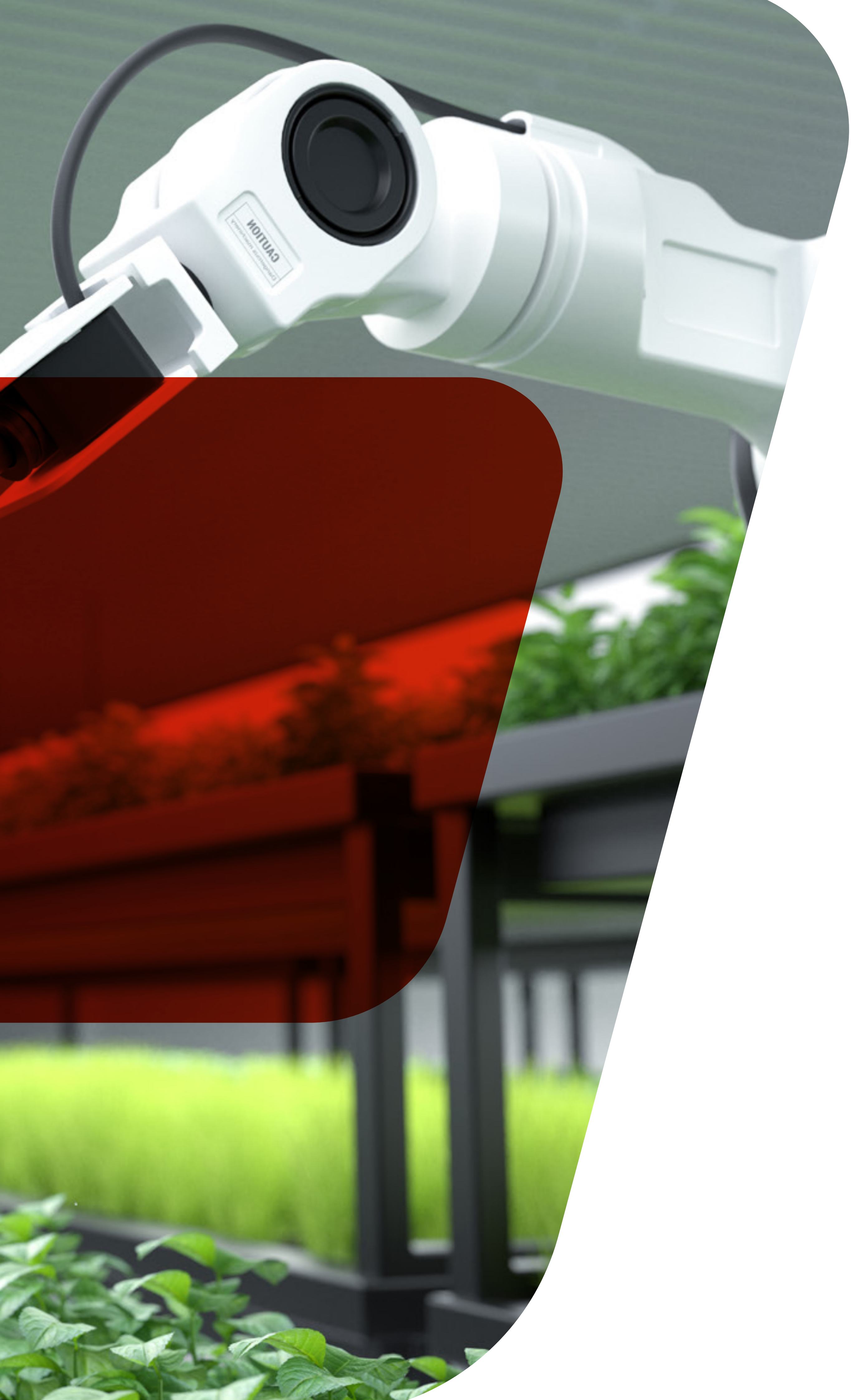
Note: Table excludes Interns and includes Fixed-Term Employees

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	2	0	0	1	1	0	0
Professional qualified	11	10	2	1	0	1	0	1
Skilled	5	6	0	0	0	0	0	0
Semi-skilled*	0	0	0	0	0	0	0	0
Unskilled	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**18**	**18**	**2**	**1**	**1**	**2**	**0**	**1**

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled*	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

PART E

PFMA COMPLIANCE REPORT


CAUTION

1. IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024	2022/2023
	R	R	R
Opening balance	0	0	207 175
Prior Period Errors	0	0	0
As Restated	0	0	207 175
Add: Irregular expenditure confirmed	0	0	0
Less: Irregular expenditure condoned	0	0	207 175
Less: Irregular expenditure not condoned and removed	0	0	0
Less: Irregular expenditure recoverable	0	0	0
Less: Irregular expenditure not recovered and written off	0	0	0
Closing balance	**0**	**0**	**0**

National Treasury had initially condoned irregular expenditure of R1 736 788 in the 2021/22 financial year. It has subsequently confirmed in the 2022/23 financial year that the nature of the irregular expenditure that was condoned of R1 736 788 applied to all expenditure incurred due to that specific irregularity and specific nature. As a result, all expenditure incurred because of that irregularity was condoned. This was subsequently corrected in the 2022/23 financial year.

Reconciling notes to the annual financial statement disclosure

Description	2024/2025	2023/2024
	R	R
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to prior year	0	0
Irregular expenditure for the current year	0	0
Total	**0**	**0**

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

Description	2024/2025	2023/2024
	R	R
Irregular expenditure under assessment	0	1 690
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	**0**	**1 690**

During the 2023/24 audit, there was an audit matter relating to the payments of the Board Retainer fee allegedly not approved by the Minister. The matter may result in possible irregular expenditure. Management has initiated a process of investigating the matter as required by the National Treasury Irregular Expenditure Framework. This expenditure was assessed in 2024/25 as not contravening any legislation and thus not irregular.

c) Details of current and previous year irregular expenditure condoned

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

d) Details of current and previous year irregular expenditure removed - (not condoned)

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

There were no instances of irregular expenditure not condoned and removed from the AFS

e) Details of current and previous year irregular expenditure recoverable

Description	2024/2025	2023/2024
	R	R
Irregular expenditure recovered	0	0
Total	**0**	**0**

There were no instances of irregular expenditure recovered.

f) Details of current and previous year irregular expenditure not recoverable and written off (irrecoverable)

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

There were no instances of irregular expenditure not recoverable and written off.

Additional disclosure relating to Inter-Institutional Arrangements.

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

Description
None
Total

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

Description	2024/2025	2023/2024
	R	R
N/A	-	-
Total	**-**	**-**

There were no such instances of non-compliance.

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Description	2024/2025	2023/2024
	R	R
N/A	-	-
Total	**-**	**-**

Disciplinary processes had taken place in prior years, and no action was relevant for the period under review.

2. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of Fruitless and Wasteful Expenditure

Description	2024/2025	2023/2024
	R	R
Opening balance	464 506	284 823
Prior period error	0	0
Restated opening balance	**0**	**0**
Add: fruitless and wasteful expenditure confirmed	0	179 683
Less: fruitless and wasteful expenditure written off	284 823	0
Less: fruitless and wasteful expenditure recoverable	0	0
Closing balance	**179 683**	**464 506**

The fruitless and wasteful expenditure incurred related to the signing of a mutual separation agreement. The amount was written off in the current year by the Accounting Authority. This was because, it would not be economical to pursue the matter.

During the 2023/24 financial year, unauthorised access to the entity's safe occurred where 1750 USD (spot rate: R18.84 on 30th October 2023) and approximately R1 675 was stolen (total loss translated into Rands is R34 640). A case with the SAPS has been opened and investigations are ongoing.

During the 2023/24 financial year, SANAS was a victim of a phishing scam where a net amount of R145 043 was deposited into an account that was believed to be that of a supplier, following a fraudulent change in the supplier's bank account. A case has been opened with the SAPS and investigations are ongoing.

Reconciliation Notes

Description	2024/2025	2023/2024
	R	R
Fruitless and wasteful expenditure that was under assessment in 2022/23	0	0
Fruitless and wasteful expenditure that relates to prior years	179 683	284 823
Fruitless and wasteful expenditure for the current year	0	179 683
Total	**179 683**	**464 506**

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

Description	2024/2025	2023/2024
	R	R
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	**0**	**0**

The fruitless and wasteful expenditure was raised in a prior year by the external auditors and was recorded in 2021/22 and 2023/24. There is no expenditure that is under assessment, determination or investigation for the 2024/25 financial year.

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2024/2025	2023/2024
	R	R
Fruitless and wasteful expenditure recovered	0	0
Total	**0**	**0**

There is no expenditure that was recovered for the year under review.

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2024/2025	2023/2024
	R	R
Fruitless and wasteful expenditure written off	284 823	0
Total	**284 823**	**0**

Expenditure relating to the mutual separation agreement was written off because it was uneconomical to pursue the matter.

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

Disciplinary steps taken
None

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

a) Details of current and previous year material losses through criminal conduct

Material losses have been highlighted above.

b) Details of other material losses

There were no material losses.

c) Other material losses recovered

Not applicable, as no material losses were incurred.

d) Other material losses written off

Not applicable, as no material losses were incurred.

3. INFORMATION ON LATE AND / OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated Value
Valid invoices received	495	36 087 408
Invoices paid within 30 days or agreed period	485	35 305 818
Invoices paid after 30 days or agreed period	10	781 590
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

4. INFORMATION ON SUPPLY CHAIN MANAGEMENT

Procurement by other means

Project Description	Name of Supplier	Type of Procurement by other means	Contract Number	Value of Contract
Courier services	Madibana SA Pty Ltd	Urgent	D2024-25-01	R15 000.00
Annual Membership Fees	Institute of Directors in South Africa (IODSA)	Sole source	D2024-25-02	R29 600.00
Participation at the 2024 World Veterinary Association Congress (WVAC) organised by SAVETCON Event Management through exhibition and conference attendance from the 16th to 19th April 2024.	SAVETCON Event Management	Sole source	D2024-25-03	R66 700.00
Participation at the 2024 Inorganic and Carman Chemistry Conference through exhibition and conference attendance from 2 to 6 June 2024.	The South African Chemical Institute	Sole source	D2024-25-04	R78 500.00
Standards	SABS	Sole source	D2024-25-05	R32 436.83
Standards	SABS	Sole source	D2024-25-06	R20 291.52
Participation at the 9th Annual Green Youth Indaba 2024 through exhibition, advertisements (website, print and radio) and panel discussion participation.	Green youth Network	Sole source	D2024-25-07	R200 000.00
Standards	SABS	Sole source	D2024-25-08	R124 253.20
Physical Wellness: Walk-The-Talk (Fun activity)	Peak timing and Primedia broadcasting	Sole source	D2024-25-09	R44 775.00
Participation at the 2024 Southern African Association for Veterinary Technologists (SAAVT) Congress through exhibition and presentation from 9 - 10 October 2024	SAVETCON Event Management	Sole source	D2024-25-10	R19 700.00
Participation at the 13th Edition of the SARA Rail Conference & Exhibition 2024 from 20 - 23 August through exhibition and conference participation	Southern African Railways Association (SARA)	Sole source	D2024-25-11	R122 000.00
Participation at the 2024 Test and Measurement Conference & Workshop, from 16 - 18 September through exhibition and conference participation	National Laboratory Association (NLA)	Sole source	D2024-25-12	R14 950.00
Participation at the 2024 Annual Agribusiness Summit through exhibition and presentation on 30 August 2024	Nongoma FM	Sole source	D2024-25-13	R100 000.00
Unblock drain	Tshwaranang Plumbing and Projects	Emergency	D2024-25-14	R920.00
Participation at the 2024 Post Graduate research and Innovation Symposium (PRIS) through exhibition on the 29 and 30 October 2024	University of Kwazulu-Natal	Sole Source	D2024-25-15	R10 000.00
Draining and cleaning flooded offices spaces	OKS Investment	Emergency	D2024-25-16	R7 877.50
Awards & recognition-Entertainment and speakers	Sibella Events Pty Ltd	Urgent	D2024-25-17	R92 000.00
Annual subscription renewal for CaseWare	Adapt IT Holdings Ltd	Sole source	D2024-25-18	R174 556.49
Fixed-term contract extension	Only recruitment	Single source	D2024-25-19	R108 063.36

Project Description	Name of Supplier	Type of Procurement by other means	Contract Number	Value of Contract
Participation at the 2025 North-West International Market Access schedules to take place on 26th and 27th March 2025	Afrivotiex	Sole source	D2024-25-20	R72 000.00
Participation at the 2025 Annual Agribusiness Summit through exhibition and presentation in March 2025	STAFRICA Voluntary Association T/A Nongoma FM	Sole source	D2024-25-21	R330 000.00
Participation at the Youth Skills Indaba 2025 to take place on 19 and 20 March 2025	KNS (PTY) LTD	Sole source	D2024-25-22	R95 000.00
TOTAL				**R1 758 623.90**

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
Legal representation/ Retainer fees	Labournet	Variation	N/A	R158 644.90	N/A	R1 680.00
VOIP and data connectivity	Liquid Intelligent Technologies	Variation	N/A	R1 034 222.70	N/A	R54 137.60
Microsoft licences	Altron Karabina	Variation	N/A	R5 367 862.12	R629 894 904.75	R76 899.07
Internal Audit	Nexia SAB&T	Variation	N/A	R1 617 068.00	N/A	R160 560.55
TOTAL						**R293 277.22**

PART F

ANNUAL FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM

Report on the audit of the annual financial statements

Opinion

1. We have audited the financial statements of the South African National Accreditation Systems set out on pages 96 to 124, which comprise the statement of financial position as at 31 March 2025, Statement of Financial Performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Accreditation Systems as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the responsibilities of the Lunika Inc for the audit of the financial statements section of our report.

4. We are 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 our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

An uncertainty relating to the future outcome of exceptional litigation or regulatory action

7. With reference to note 25 to the financial statements, the public entity is involved in ongoing legal and financial disputes with a former Internal Audit service provider over two invoices, with one matter currently sub judice and the other dismissed by the High Court in favour of SANAS.

   The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Responsibilities of the accounting authority for the financial statements

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

9. 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.

Auditor's responsibilities for the audit of the financial statements

10. Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of our 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 6 to 7, forms part of our auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we 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.

13. We selected the following material performance indicators related to Programme 4 – Accreditation Provision presented in the annual performance report for the year ended 31 March 2025. We 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.

- Number of accredited Conformity Assessment Bodies (CABs)
- Number of applications processed for SAPS Forensic Science Laboratories
- Average number of working days to issue certificates and scopes of accreditation after completion of approvals process
- Number of investigations or unscheduled visits conducted
- Number of black assessors registered
- Number of engagements undertaken with Regulators relying on SANAS accreditation for their conformity assessment needs

14. We evaluated the reported performance information for the selected objective 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.

15. We 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 we can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

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

Other matters

18. We draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, we 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 South African National Accreditation System's compliance with legislation.

21. We performed procedures to test compliance with selected requirements in key legislation.

22. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

23. 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 the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.

24. Our 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 we do not express an audit opinion or any form of assurance conclusion on it.

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

26. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

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

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

29. Controls over performance planning and review were inadequate, as the indicator "Number of investigations or unscheduled visits conducted" was linked to an unrelated B-BBEE engagement target. This misalignment indicates that targets and indicators were not properly validated for relevance and measurability, and management oversight failed to detect the issue. As a result, the usefulness and credibility of reported performance were compromised.

Lunika Inc.

Lunika Chartered Accountants and Auditors Incorporated
Samkelo Mxunyelwa CA (SA)
Director
Registered Auditor

31 July 2025
Lonehill Office Park
Sandton
Johannesburg

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 external auditors are engaged to express an independent opinion on the annual financial statements and will be given unrestricted access to all financial records and related data.

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 to 31 March 2026 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.

Although the Accounting Authority is primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have be examined by the entity's external auditors and their report is presented.

The annual financial statements set out on 4 - 38, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2025 and were signed on its behalf by:

Dr Tshenge Demana
Chairperson of the Board
Date: 29 August 2025

Mr Farhad Osman
Acting Chief Executive Officer
Date: 29 August 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	3	54,744,644	51,475,234
Intangible assets	4	3,478,830	3,748,333
		58,223,474	**55,223,567**
Current Assets			
Receivables from exchange transactions	5	9,667,745	14,915,542
Cash and cash equivalents	6	100,657,246	79,848,392
		110,324,991	**94,763,934**
Total Assets		**168,548,465**	**149,987,501**
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	6,328,926	4,912,697
Income received in advance	8	10,656,628	10,707,072
Provisions	9	714,163	451,536
Employee benefit obligation	10	8,394,967	6,395,791
		26,094,684	**22,467,096**
Total Liabilities		**26,094,684**	**22,467,096**
Net Assets		**142,453,781**	**127,520,405**
Accumulated surplus		**142,453,781**	**127,520,405**

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Rendering of services	11	121,838,453	112,201,785
Other income		916,080	347,030
Interest received - investment	12	8,935,147	7,667,570
Total revenue from exchange transactions		**131,689,680**	**120,216,385**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	13	32,118,000	30,738,000
Total revenue	11	**163,807,680**	**150,954,385**
Expenditure			
Employee related costs	14	(72,065,813)	(66,238,368)
Depreciation and amortisation	15	(5,175,471)	(4,863,912)
Debt Impairment	16	(2,228,448)	706,938
Accreditation Assessor Costs	17	(20,599,977)	(19,520,271)
Transfer payments		**-**	**(844,659)**
General Expenses	18	**(48,804,596)**	**(41,754,248)**
Total expenditure		**(148,874,305)**	**(132,514,520)**
Surplus for the year		**14,933,375**	**18,439,865**

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Note(s)	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2023		111,197,540	111,197,540
Changes in net assets			
National Treasury 2022/2023 cash surplus surrender		(2,117,000)	(2,117,000)
Net income (losses) recognised directly in net assets		**(2,117,000)**	**(2,117,000)**
Surplus for the year		18,439,865	18,439,865
Total changes		16,322,865	16,322,865
Balance at 01 April 2024		127,520,406	127,520,406
Changes in net assets Surplus for the year		**14,933,375**	**14,933,375**
Total changes		14,933,375	14,933,375
Balance at 31 March 2025		142,453,781	142,453,781

CASH FLOW STATEMENT

	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Rendering of services		127,951,886	111,504,430
Funds received from dtic - Grants		32,118,000	30,738,000
Interest income - investment		8,935,147	7,667,570
Other receipts		**-**	**326,591**
		169,005,033	150,236,590
Payments			
Employee costs		(70,066,637)	(66,271,391)
Suppliers		(69,951,623)	(63,665,999)
National Treasury 2022/2023 cash surplus surrender		-	(2,117,000)
		(140,018,260)	(132,054,390)
Net cash flows from operating activities	**19**	**28,986,773**	**18,182,200**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(7,678,247)	(698,468)
Proceeds from sale of property, plant and equipment	3	19,878	-
Purchase of other intangible assets	4	(519,550)	-
Net cash flows from investing activities		**(8,177,919)**	**(698,468)**
Net increase/(decrease) in cash and cash equivalents		**20,808,854**	**17,483,732**
Cash and cash equivalents at the beginning of the year		79,848,392	62,364,660
Cash and cash equivalents at the end of the year	**6**	**100,657,246**	**79,848,392**

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	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	108,071,000	-	**108,071,000**	121,838,453	**13,767,453**	a
Other income	128,000	-	**128,000**	916,080	**788,080**	
Interest received - investment	3,826,000	-	**3,826,000**	8,935,147	**5,109,147**	b
Total revenue from exchange transactions	**112,025,000**	**-**	**112,025,000**	**131,689,680**	**19,664,680**	
Revenue from non- exchange transactions						
Transfer revenue						
Government grants & subsidies	32,118,000	-	32,118,000	32,118,000	-	
Total revenue	**144,143,000**	**-**	**144,143,000**	**163,807,680**	**19,664,680**	
Expenditure						
Compensation of employees	(75,263,000)	-	**(75,263,000)**	(72,065,813)	**3,197,187**	c
Accreditation Assessor Costs	(19,352,063)	-	**(19,352,063)**	(20,599,977)	**(1,247,914)**	d
Transfer payments - Other	(878,000)	-	**(878,000)**	-	**878,000**	
Depreciation and amortisation	(6,489,000)	-	**(6,489,000)**	(5,175,471)	**1,313,529**	
Debt Impairment	(109,464)	-	**(109,464)**	(2,228,448)	**(2,118,984)**	
General Expenses	(42,051,473)	-	**(42,051,473)**	(48,804,596)	**(6,753,123)**	e
Total expenditure	**(144,143,000)**	**-**	**(144,143,000)**	**(148,874,305)**	**(4,731,305)**	**d**
Surplus				**14,933,375**		

1. SIGNIFICANT ACCOUNTING POLICIES

1. Significant accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These 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. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that SANAS will continue to operate as a going concern for the foreseeable future.

1.3 Significant judgements and sources of estimation uncertainty

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.

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

Receivables from exchange transactions

SANAS assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the entity makes judgements as to whether there is observable data indicating the reasons debtors have not settled their balances after processes have been implemented to recover trade receivables

The impairment for trade receivables is calculated on a portfolio basis, based on historical data stored on the ability of trade debtors to settle their balances and other indicators present at the reporting date that correlate with defaults on the portfolio.

Impairment testing of assets

SANAS reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. 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 tangible and intangible assets are inherently uncertain and could materially change over time.

When the carrying amount of an asset exceeds its recoverable service amount, it is impaired.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the Provisions note 9.

1.4 Property, plant and equipment

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Land is not depreciated.
The useful lives of items of property, plant and equipment have been assessed as follows.

Item	Depreciation method	Estimated Useful life
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	10 to 20 years
Motor vehicles	Straight line	3 to 7 years
Office equipment	Straight line	5 to 23 years
IT equipment	Straight line	4 to 7 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 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.

1.5 Intangible assets

An intangible asset is recognised when it:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether SANAS intends to do so; or
- arises from a binding arrangement (including rights from contracts), regardless of whether those rights are transferable or separable from SANAS and obligations

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to SANAS; and
- the cost or fair value of the asset can be measured reliably.

SANAS assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

1.5 Intangible assets (Continued)

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Estimated Useful life
Computer software	Straight line	10 - 12 years
Automated Accreditation Management System	Straight line	10 years
Knowledge Transfer Management System	Straight line	12 years

1.6 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.

1.7 Provisions and contingencies

Provisions are recognised when:

- SANAS has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A constructive obligation to restructure arises only when SANAS:

- has a detailed formal plan for the restructuring, identifying at least:
- the activity/operating unit or part of an activity/operating unit concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
  has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
necessarily entailed by the restructuring; and
not associated with the ongoing activities of SANAS

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:
the amount that would be recognised as a provision; and
the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised however are disclosed when there is a possible significant and material effect on SANAS.

1.8 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 SANAS 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.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Rendering of services is divided into two categories, namely fee income for accreditation services and courses for training. Fee income is received for new and existing clients in terms of legislation and international standards, and for ensuring that accredited conformity assessment services are available to South African Industry and Regulators, including the Industrial Policy Priority Sectors (IPPS). Course fees are received for accreditation courses held in order to support existing and new accreditation fields within IPPS.

Service revenue for accreditation services is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the stage of accreditation completed,
i.e. document review at new application, pre- assessment (where required) or initial assessment. Accreditation is only granted after successful completion of all stages and signed off by an Approval Committee. Training courses revenue is recognised when the relevant course has been attended.

Interest Income

Revenue arising from the use by others of SANAS's assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to SANAS, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments.

1.9 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, SANAS 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. Revenue is measured at the fair value of consideration received or receivable.

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

1.10 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).

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that 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.

1.11 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. the PFMA; or
b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the PFMA or
c. any provincial legislation providing for procurement procedures in that provincial government

For irregular expenditure to have occurred, the following must be present:

- expenditure incurred in contravention of, or not in accordance with legislation, and
- expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position.

1.12 Budget information

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 approved budget is prepared on an accrual basis and is included in the budget of Vote 39 - Department of Trade, Industry and Competition. The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

1.13 Leases

SANAS classifies leases as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as an operating lease.

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term. For the reporting period, only operating leases were entered into.

1.14 Employee benefits

Employee benefits are all forms of consideration given by SANAS in exchange for service rendered by employees.

Short-term employee benefits

Termination benefits are employee benefits payable as a result of either:
- SANAS' decision to terminate an employment before the normal retirement date; or
- a decision to accept voluntary redundancy in exchange for those benefits.

Short-term employee benefits are employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:
- Salaries, medical aid and provident fund; and
- Performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service.

When an employee has rendered service to SANAS during a reporting period, the undiscounted amount of the short-term employee benefits expected to be paid in exchange for that service is recognised:
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences (leave pay) is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. SANAS measures the expected cost of accumulating compensated absences as the additional amount that SANAS expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

SANAS recognises the expected cost of performance related payments when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.15 Financial instruments

Classification

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

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

SANAS 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:

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

1.15 Financial instruments (Continued)

Initial recognition

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

Initial measurement of financial assets and financial liabilities

SANAS 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

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

Financial instruments at fair value

Financial instruments at amortised cost.

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

Derecognition Financial assets

SANAS derecognises a financial asset only when:
-The contractual rights to the cash flows from the financial asset expire,are settled or waived ;or
-SANAS transfers to another party substantially all of the risks and rewards of ownership of the financial asset;

Financial liabilities

SANAS removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived

1.16 Related parties

SANAS operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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.

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of SANAS and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that SANAS is transparent about its dealings with related parties.

Related parties include:
a. A person or a close member of that person's family is related to SANAS if that person:
   - has control or joint control over the SANAS;
   - has significant influence over SANAS
   - is a member of the management of SANAS or its controlling entity.

1.16 Related parties (Continued)

b. An entity is related to SANAS if any of the following conditions apply:
   - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others)
   - a person identified above has significant influence over that entity or is a member of the management of its controlling entity).

2. CHANGES IN ACCOUNTING POLICY

Standards and Interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation	Effective date:	Expected Impact
GRAP 1 – Presentation on Financial State-ments	Dates still to be determined by the Minister of Finance	Not expected to impact results but may result in additional disclosure
GRAP 103 -Heritage assets	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS
GRAP 104 – Financial Instruments	1 April 2025	Not expected to impact results but may result in additional disclosure
GRAP 105 – Transfer of functions between entities under common control	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS
GRAP 106 – Transfer of functions between entities not under common control	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS
GRAP 107 – Mergers	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS
IGRAP 22 - Foreign Currency Transactions and Advacne consideration	1 April 2025	The interpretation provides clarity on the date of the transaction for the purpose of deter-mining the exchange rate to be use on initial recognition of the related asset, expense or revenue when an entity has received or paid advance consideration in a foreign currency. This interpretation will have a significant im-pact on SANAS due to assessments that occur in other countries.

3. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8,858,565	-	8,858,565	8,858,565	-	8,858,565
Buildings	55,559,047	(18,913,385)	36,645,662	55,559,047	(16,146,387)	39,412,660
Furniture and fixtures	3,507,362	(2,414,850)	1,092,512	3,507,362	(2,064,630)	1,442,732
Motor vehicles	1,259,392	(1,090,056)	169,336	1,259,392	(980,272)	279,120
Office equipment	4,444,132	(887,238)	3,556,894	859,055	(750,097)	108,958
IT equipment	9,426,930	(5,005,255)	4,421,675	7,103,832	(5,730,633)	1,373,199
Total	**83,055,428**	**(28,310,784)**	**54,744,644**	**77,147,253**	**(25,672,019)**	**51,475,234**

Reconciliation of property, plant and equipment - 2025

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	8,858,565	-	-	-	8,858,565
Buildings	39,412,660	-	-	(2,766,998)	36,645,662
IT equipment	1,373,198	4,074,533	(22,153)	(1,003,902)	4,421,676
Furniture and fixtures	1,442,732	-	-	(350,220)	1,092,512
Motor vehicles	279,120	-	-	(109,784)	169,336
Office equipment	108,958	3,603,714	(263)	(155,515)	3,556,894
	51,475,233	**7,678,247**	**(22,416)**	**(4,386,419)**	**54,744,644**

Reconciliation of property, plant and equipment - 2024

	Opening Balance	Additions	Disposals	Depreciation	Impairment reversal	Total
Land	8,858,565	-	-	-	-	8,858,565
Buildings	42,187,239	-	-	(2,774,579)	-	39,412,660
IT equipment	1,487,722	698,468	(3,155)	(830,276)	20,439	1,373,198
Furniture and fixtures	1,793,911	-	-	(351,179)	-	1,442,732
Motor vehicles	389,204	-	-	(110,084)	-	279,120
Office equipment	163,415	-	(8,625)	(45,832)	-	108,958
	54,880,056	**698,468**	**(11,780)**	**(4,111,950)**	**20,439**	**51,475,234**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance	2025	2024
General expenses- Repairs and maintenance	678,293	1,213,712

An asset verification was conducted during the financial year. Various assets were written off and the asset register was updated accordingly.

Assets with a net book value of R22,416 were written off with proceeds of R19,878 and loss on disposal of R2 538.

There are no property, plant and equipment pledged as security.

Useful lives and residual values of all assets were reviewed and were necessary adjusted prospectively.

4. INTANGIBLE ASSETS

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	835,576	(330,861)	504,715	316,026	(270,157)	45,869
Automated Accreditation Management system	6,775,114	(3,894,774)	2,880,340	6,775,114	(3,214,838)	3,560,276
Knowledge Transfer Management System	549,308	(455,533)	93,775	549,308	(407,120)	142,188
Total	**8,159,998**	**(4,681,168)**	**3,478,830**	**7,640,448**	**(3,892,115)**	**3,748,333**

Reconciliation of intangible assets - 2025

	Opening Balance	Additions	Amortisation	Total
Computer software	45,868	519,550	(60,703)	504,715
Automated Accreditation Management system	3,560,276	-	(679,936)	2,880,340
Knowledge Transfer Management System	142,188	-	(48,413)	93,775
	3,748,332	**519,550**	**(789,052)**	**3,478,830**

Reconciliation of intangible assets - 2024

	Opening Balance	Amortisation	Total
Computer software	67,487	(21,618)	45,869
Automated Accreditation Management system	4,242,075	(681,799)	3,560,276
Knowledge Transfer Management System	190,733	(48,545)	142,188
	4,500,295	**(751,962)**	**3,748,333**

Intangible assets in the process of being constructed or developed

Computer software and the Knowledge Transfer Management system are acquired intangible assets. The Automated Accreditation Management system is internally developed. The development of this system is complete.

Useful lives and residual values of all intangible assets were reviewed at year end.

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade debtors	11,096,068	15,184,908
Prepaid expenses	1,104,542	-
Deposits	45,000	45,000
Provision for doubtful debts	(2,577,865)	(349,417)
Staff debtors	-	35,051
	9,667,745	**14,915,542**

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. None of the financial assets that are fully performing have been renegotiated in the last year.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2025, R4 145 598 (2024: R9 894 908) were past due but not impaired.

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

1 month past due	156,740	575,636
2 months past due	3,988,858	9,319,272

Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of 2,577,866 (2024: 349,417) were impaired and provided for.

The ageing of these Impairments is as follows:

Over 90 days	2,577,866	349,417

Reconciliation of provision for impairment of trade and other receivables

Opening balance	349,418	1,056,356
Provision for impairment	2,228,448	(706,938)
	2,577,866	**349,418**

The creation and release of provision for impaired receivables have been included in operating expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Other Receivables

Prepayments relate to information technology licenses. These licenses are used for operations and will be utilised within the next 12 months.

Staff debtors relate to a debt for the recovery of funds because of the application of the no work no pay rule that was applied due to the strike action that had taken place in 2017. These funds have been written off in the 2024/2025 financial year.

A deposit of R45 000 was paid to the utilities management company as a deposit for water and electricity usage at the SANAS office building. This amount is not interest bearing.

No collateral has been obtained over financial assets.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	8,657	10,487
Bank balances	7,786,084	19,329,841
Corporation for Public Deposits	92,862,505	60,508,064
	100,657,246	**79,848,392**

Cash on hand consists of petty cash and foreign exchange on hold at year end.

Bank balances consist of funds in the cheque account of SANAS used for daily transactions. Surplus cash is deposited with the Corporation for Public Deposits at the Reserve Bank. There are no restrictions relating to any component of cash and cash equivalent.

7. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade payables	6,328,926	4,912,697

8. INCOME RECEIVED IN ADVANCE

	2025	2024
Income received in advance	10,656,628	9,804,616
Staff costs	-	902,456
	10,656,628	**10,707,072**

SANAS' annual fees are issued annually on 1 April however quotations are issued during March in order to provide customers with an indication of the new fees payable. On receipt of these quotations, customers make payments in March instead of April. In addition to this, training is booked in advance and payment is sometimes received in the current year for training that will take place in the following year. These payments will only be recorded against income when the service is rendered and are therefore recorded as income received in advance.

9. PROVISIONS

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Expenses	451,536	605,903	(190,185)	(153,091)	714,163

Reconciliation of provisions - 2024

	Opening Balance	Additions	Total
Expenses	839,735	(388,199)	451,536

Certain services have been rendered to SANAS, however, the service providers have not yet billed SANAS at year end. These have been raised as expenses. These expenses will be settled within 12 months.

10. EMPLOYEE BENEFIT OBLIGATIONS

Reconciliation - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Performance Bonuses	3,261,317	-	-	-	3,261,317
Accrual leave pay	3,134,474	232,176	-	-	3,366,650
Pay progression	-	1,767,000	-	-	1,767,000
	6,395,791	**1,999,176**	**-**	**-**	**8,394,967**

Reconciliation - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Performance Bonuses	3,261,317	-	-	-	3,261,317
Accrual leave pay	3,173,689	-	(39,215)	-	3,134,474
	6,435,006	**-**	**(39,215)**	**-**	**6,395,791**

The provision for performance bonuses was raised in the 2022/2023 financial year. This provision was not utilized in the current year as the matter is not concluded and has been referred to the CCMA.

Accrual leave pay has been raised on outstanding leave balances for all staff members as at 31 March 2025.

The provision for pay progression was raised for the 2023/2024 financial year.

11. REVENUE

	2025	2024
Rendering of services (Exchange revenue – Accreditation Services)	112,169,697	104,191,999
Rendering of services (Exchange revenue – Training income)	9,668,756	8,009,786
Other income	916,080	347,030
Interest received - investment	8,935,147	7,667,570
Funds Received from dtic – (Non exchange revenue)	32,118,000	30,738,000
	163,807,680	**150,954,385**

12. INVESTMENT REVENUE - INTEREST

	2025	2024
Interest revenue - Interest		
Interest received - investment	8,935,147	7,667,570

Interest received has been earned from SANAS bank account and the Corporation for Public Deposits.

13. GOVERNMENT GRANTS & SUBSIDIES

	2025	2024
Operating grants		
Funds received from dtic - (Non exchange revenue)	32,118,000	30,738,000

14. EMPLOYEE RELATED COSTS

	2025	2024
Basic	44,309,186	40,050,979
Medical aid - company contributions	2,850,338	2,757,214
UIF	318,654	319,356
WCA	305,416	178,644
SDL	589,254	567,964
Defined contribution plans	7,512,237	7,402,342
Other employee costs	16,171,728	14,961,869
	72,065,813	**66,238,368**

15. DEPRECIATION AND AMORTISATION

	2025	2024
Property, plant and equipment	4,386,419	4,111,950
Intangible assets	789,052	751,962
	5,175,471	**4,863,912**

16. DEBT IMPAIRMENT

	2025	2024
Debt impairment	2,228,448	(706,938)

17. ACCREDITATION ASSESSOR COSTS

	2025	2024
Accreditation Assessor Costs	20,599,977	19,520,271

18. GENERAL EXPENSES

	2025	2024
Accounting Authority emoluments	663,293	1,304,295
Advertising	1,473,221	895,944
External Auditors remuneration	386,113	392,927
Bank charges	33,478	34,710
Cleaning	255,467	234,178
Consulting and professional fees	177,537	141,708
Donations	270,043	5,758
HR expenses incl bursaries and staff wellness	2,275,654	2,250,695
Insurance	573,781	542,783
IT expenses	9,295,160	4,921,778
Printing and stationery	157,643	133,703
Repairs and maintenance	678,293	1,213,712
Security	501,985	501,985
Subscriptions and membership fees	169,770	103,087
Telephone and fax	323,658	200,196
Training	1,987,282	883,212
Travel - local	20,570,420	18,849,441
Electricity and water	952,006	877,479
International and regional responsibilities	1,928,965	1,469,997
Internal Auditors remuneration	891,483	909,146
Marketing costs	835,904	864,146
Property levies	469,893	446,314
Property rates	904,425	861,703
Project expenses	843,231	260,580
Operating lease	127,604	126,252
Other operating expenses	2,058,287	3,328,519
	48,804,596	**41,754,248**

19. CASH GENERATED FROM OPERATIONS

	2025	2024
Surplus	14,933,375	18,439,865
Adjustments for:		
Depreciation and amortisation	5,175,471	4,863,912
Movements in provisions	262,627	(388,199)
Gain on sale of assets and liabilities	2,538	11,780
National Treasury 2022/2023 cash surplus surrender	-	(2,117,000)
Impairment reversal	-	(20,439)
Changes in working capital:		
Receivables from exchange transactions	5,247,797	(5,264,534)
Payables from exchange transactions	1,416,233	(1,332,263)
Income received in advance	(50,444)	4,028,292
Employee benefit obligations	1,999,176	(39,214)
	28,986,773	**18,182,200**

20. OPERATING LEASE

SANAS currently rents four (4) photocopy machines that classify as operating leases. The period of the lease is 36 months and three of the contracts had commenced in December 2022 with the fourth commencing in February 2023.

SANAS had previously leased four (4) photocopy machines and that lease had ended in August 2022 but was extended to September 2022. There are no escalations in the current lease and the lease will end in November 2025 for three of the contracts and in January 2026 for the fourth contract.

The outstanding commitment under the non-cancellable operating lease was as follows:

	2025	2024
Up to 1 year	90,887	127,604
More than 2 years less than 5 years	-	90,887
	90,887	**218,491**

21. RELATED PARTIES

Relationships

Executive Authority Minister of the Department of Trade, Industry and Competition (the dtic)

Accounting Authority

Ms L Tlou
Mr F Osman
Dr T Demana
Mr S Mlangeni
Dr S Mohlala
Ms L Mothae
Mr Phaloane
Ms I Ramafola
Ambassador S Jaffer
Ms Thandi Phele
Mr F Wetes

Members of key management

Mr F Osman
Mr M Phaloane
Ms F Radebe
Mr J Shai
Mr D Petersen

Related party balances

	2025	2024
Amounts included in trade receivables from exchange transactions		
Agricultural Research Council	16,152	41,832
Department of Agriculture	62,722	-
Council for Scientific and Industrial Research	3,858	(11,982)
Eskom	1,156,250	904,472
Lepelle Northern Water	51,002	41,939
National Regulator for Compulsory Specifications	-	118,342
South African Bureau of Standards	-	(9,043)
National Health Laboratory Services	(43,987)	3,769,583
National Metrology Institute of South Africa	17,286	182,637
Transnet Limited	64,734	217,519
Total	**1,328,017**	**5,255,299**

21. RELATED PARTIES (CONTINUED)

	2025	2024
Amounts included in trade payables from exchange transactions		
National Laboratory Association	6,785	441,407
National Regulator for Compulsory Specifications	435,883	218,310
National Metrology Institute of South Africa	9,435	43,072
	452,103	**702,789**

SANAS is a schedule 3A public entity in terms of the PFMA. Transactions and balances relate to the provision of accreditation activities. Accreditation services are provided at arm's length with all CABs regardless of the nature of relationship, including related parties. SANAS elected to apply the exemption afforded by GRAP 20.34 and thus only account balances are disclosed.

2025			
Name	**Members Fees**	**Committee Fees**	**Total**
Ms L Tlou	166,054	-	166,054
Mr S Mlangeni	127,621	-	127,621
Dr M Mohlala	147,179	-	147,179
Ms L Mothae	170,683	-	170,683
Mr F Wetes	29,738	-	29,738
Dr T Demana	6,423	-	6,423
Amb S Jaffer	15,597	-	15,597
	663,293	**-**	**663,293**

2024			
Name	**Members Fees**	**Committee Fees**	**Total**
Ms L Tlou	204,608	93,654	298,262
Mr S Mlangeni	153,486	60,518	214,004
Dr M Mohlala	166,524	73,967	240,491
Ms L Mothae	266,384	73,967	340,351
Mr F Wetes	137,220	73,967	211,187
	928,222	**376,073**	**1,304,295**

Some members of the Accounting Authority were not remunerated in their personal capacity as they are employees of government or institutions, agencies or entities of government. These Accounting Authority members for the 2024/2025 financial year were as follows:

- Ms I Ramafola
- Ms T Phele

Some members of the Accounting Authority changed status from not being remunerated to being remunerated. These members for the 2024/2025 financial year were as follows:

- Dr T Demana
- Ambassador S Jaffer

Some members of Executive Management were also members of the Accounting Authority and were not remunerated in their personal capacity. Their remuneration as part of Executive Management is listed in the table below. The members of management that were Accounting Authority members were as follows:

- Mr F Osman
- Mr M Phaloane

Mr F Wetes sadly passed away in the 2024/2025 financial year.

21. RELATED PARTIES (CONTINUED)

Executive management

2025					
Name	**Basic salary**	**Acting Allowance**	**Contributions to Medical aid and Provident Fund**	**Other benefits received**	**Total**
Mr F Osman (ACEO)	1,197,444	482,111	376,739	342,000	2,398,294
Mr M Phaloane	2,190,035	100,060	242,869	54,000	2,586,964
Ms F Radebe	2,219,827	-	267,078	-	2,486,905
Mr D Petersen	1,400,406	-	292,155	-	1,692,561
Mr J Shai	1,692,088	-	224,094	-	1,916,182
	8,699,800	**582,171**	**1,402,935**	**396,000**	**11,080,906**

2024					
Name	**Basic salary**	**Acting Allowance**	**Contributions to Medical aid and Provident Fund**	**Other benefits received**	**Total**
Mr Phaloane (ACEO)	1,841,177	140,084	439,945	54,000	2,475,206
Ms F Radebe	1,800,060	-	415,062	120,000	2,335,122
Mr F Osman	1,099,641	-	357,592	342,000	1,799,233
Mr D Petersen	1,305,287	-	276,545	-	1,581,832
Mr J Shai	641,263	-	89,962	-	731,225
Ms N Thomas	146,896	-	16,389	-	163,285
Mr T Baleni (ACEO)	-	908,644	-	-	908,644
	6,834,324	**1,048,728**	**1,595,495**	**516,000**	**9,994,547**

Mr F Osman was appointed as Acting CEO from 1 September 2024

Mr M Phaloane was the Acting CEO from 1 September 2023 - 31 August 2024

Mr T Baleni was seconded from the dtic to act as the Chief Executive Officer (CEO) of SANAS. Claims were made by the dtic to SANAS for the payment of Mr T Baleni's salary, allowances, employer contributions and acting allowance that was paid by the dtic. The amounts paid by the dtic to Mr T Baleni were therefore claimed by the dtic from SANAS. His last day as ACEO was on the 31 August 2023.

Ms N Thomas, resigned on 01 May 2023.

Mr J Shai joined SANAS as CFO from 6th November 2023.

22. GOING CONCERN

As at 31 March 2025, the SANAS had an accumulated surplus of R142,453,781 and that the entity's total assets exceed its liabilities by R142,453,781.

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.

23. FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments

2025		
Financial assets	**Amortised cost**	**Total**
Trade and other receivables from exchange transactions	8,563,203	8,563,203
(Excluding prepayments) Cash and cash equivalents	100,657,246	100,657,246
Utilities deposit	45,000	45,000
	109,265,449	**109,265,449**
Financial liabilities	**Amortised cost**	**Total**
Trade and other payables from exchange transactions	6,328,926	6,328,926

2024		
Financial assets	**Amortised cost**	**Total**
Trade and other receivables from exchange transactions	14,870,542	14,870,542
(Excluding prepayments) Cash and cash equivalents	79,848,392	79,848,392
Utilities deposit	45,000	45,000
	94,763,934	**94,763,934**
Financial liabilities	**Amortised cost**	**Total**
Trade and other payables from exchange transactions	4,912,708	4,912,708

24. COMMITMENTS

There was no authorised capital expenditure nor commitments already contracted for but not provided at year end.

25. CONTINGENCIES

SANAS Management requested the Internal Audit service provider to conduct reviews of documentation and provide reports for tabling with the Accounting Authority pertaining to 2018/2019 expenditure identified as potential irregular expenditure. The reviews were performed during March 2019 and a report regarding all the items was provided during April 2019. The cost of these reviews was budgeted at R39,900 and approved. A subsequent request was then made to the internal auditors to separate each identified irregular expenditure into separate reports detailing the findings and recommendations as well as aligning the reports to the National Treasury Framework of Irregular expenditure.

The final reports were submitted in December 2019, however upon finalisation of the reports, the service provider issued an invoice for R729,080. SANAS management disputed the amount above the proposal amount of R39,900 as no discussion was held regarding additional fees at the time of assignment. Additional engagements were made between the service provider and SANAS to reach consensus on the matter and the service provider was not satisfied with the conclusions reached by management regarding the alleged invoice outstanding. New correspondence has been received from the service provider and the balance of R689,180 is still regarded as being in dispute and the contingent liability of R689,180 has therefore still remained for the 2023/2024 financial year. The matter is currently sub judice.

In September 2020, the Internal Audit service provider presented SANAS with an invoice for services rendered for their involvement in disciplinary matters initiated by the Board between November 2019 and July 2020.
These disciplinary matters emanated from Irregular expenditure projects, Whistle-blower, and other pertinent matters (as stated on their invoice). Additional engagements were made between the service provider and SANAS to reach consensus on the matter and the service provider was not satisfied with the conclusions reached by management regarding the alleged invoice outstanding. The service provider approached the court for a summary judgement. The matter was heard in the High Court of South Africa Gauteng Division, Pretoria. An order was made to dismiss the application for summary judgement with costs on the 3rd March 2025 in favour of SANAS. The amount in dispute is R1,006,244.

25. CONTINGENCIES (CONTINUED)

Request to retain cash surplus

As per Section 53(3) of the PFMA, SANAS as a Schedule 3A Public Entity may not retain cash surpluses that were realised in the previous financial year without the prior written approval of the National Treasury.

Therefore, in terms of this section and National Treasury's instruction no.12 of 2020/2021, SANAS will make a submission to National Treasury to retain surpluses for 2024/25 in line with this instruction based on the final audited figures.

The cash surplus as per this instruction note is based on the cash and cash equivalents plus receivables less current liabilities.

Surplus	
Cash and cash equivalents	100,657,246
Receivables	9,667,745
Less: Current liabilities	(26,094,684)
	84,230,307

SANAS transferred back R2,117,000 to the National Revenue fund for surpluses realised in 2022/2023 financial year. This transfer has been recognized against retained earnings.

26. CHANGE IN ESTIMATE

Property, plant and equipment

During the financial year ending 2024/25, SANAS applied various changes to the useful lives of various classes of assets. During this process residual values were also evaluated. This review included Property, Plant and Equipment and intangible assets.

The following is the impact of the revision of useful lives in the current year:
Office equipment
- Decrease in Depreciation R1 839
- Decrease in Accumulated Depreciation R1 839

IT Equipment
- Decrease in Depreciation R5 746
- Decrease in Accumulated Depreciation R5 746

27. RISK MANAGEMENT

Financial risk management

SANAS' 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.

SANAS' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. The Accounting Authority provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Liquidity risk

SANAS'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 and cash equivalents are sufficient to settle current liabilities.

	2025	2024
Trade and other payables - Less than a year	6,328,926	4,912,697

27. RISK MANAGEMENT (CONTINUED)

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.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

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

Trade and other receivables	8,563,203	14,915,542
Cash and cash equivalents	100,657,246	79,848,392
	109,220,449	**94,763,934**

No collateral has been obtained over financial assets

Market risk

Interest rate risk

Surplus funds invested attract interest rates that vary in relation to the prime rate. The entity's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on the surplus or deficit.

Foreign exchange risk

The entity operates internationally but invoices only in South African Rands. The entity does not hedge foreign exchange fluctuations as the number of international transactions is limited, thus the entity is not exposed to significant foreign exchange risk. The entity reviews its foreign currency exposure, including commitments on an ongoing basis.

The entity reviews its foreign currency exposure, including commitments on an ongoing basis. The entity expects its foreign exchange contracts to hedge foreign exchange exposure.

28. EVENTS AFTER THE REPORTING DATE

There were no significant events after reporting date.

29. FRUITLESS AND WASTEFUL EXPENDITURE

	2025	2024
Fruitless and wasteful expenditure identified	-	179,683

During the 2023/2024 financial year, unauthorised access to the entity's safe occurred where 1750 USD (spot rate: R18.84 on 30th October 2024) and approximately R1 675 (total loss translated into Rands is R34 640) was stolen. A case with the South African Police Service has been opened and investigations are ongoing.

During the 2023/2024 financial year, SANAS was a victim of a phishing scam where a net amount of R145 043 was deposited into an account that was believed to be that of a supplier, following a fraudulent change in the supplier's bank account. A case has been opened with the South African Police Service and investigations are ongoing.

30. IRREGULAR EXPENDITURE

No irregular expenditure was incurred during the 2024/2025 period.

31. SEGMENT INFORMATION

General information

Identification of segments

SANAS' place of operations is at Libertas Office Park, Equestria, Pretoria. The Administration and Corporate Services are non-segmental information.

Information reported about and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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Types of goods and/or services by segment

These segmental and non-segmental segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Administration	Policy development, financial management, legal and administrative support
Corporate Services	Human Resources (HR) management, quality management, information and communication technology and communication and marketing
Strategy and Development	Research and development of new accreditation programmes, knowledge transfer and regional and international development
Accreditation	Accreditation assessments and good laboratory practice monitoring

Segment surplus or deficit, assets and liabilities

2025					
	Administration	Corporate Services	Strategy and Development	Accreditation Provision	Total
Revenue					
Funds received from dtic - Grant	32,118,000	-	-	-	32,118,000
Revenue from exchange transactions	-	-	9,668,756	112,169,697	121,838,453
Interest revenue	8,935,147	-	-	-	8,935,147
Sundry Income	916,080	-	-	-	916,080
Total segment revenue	**41,969,227**	**-**	**9,668,756**	**112,169,697**	**163,807,680**
Expenditure					
Salaries and wages	37,235,035	-	-	34,830,778	72,065,813
Other expenses	5,933,745	20,007,458	3,088,393	42,603,425	71,633,021
Depreciation and amortisation	5,175,471	-	-	-	5,175,471
Total segment expenditure	**48,344,251**	**20,007,458**	**3,088,393**	**77,434,203**	**148,874,305**
Total segmental surplus/(deficit)	**(6,375,024)**	**(20,007,458)**	**6,580,363**	**34,735,494**	**14,933,375**

31. SEGMENT INFORMATION (CONTINUED)

Segment surplus or deficit, assets and liabilities

2024	Administration	Corporate Services	Strategy and Development	Accreditation Provision	Total
Revenue					
Funds received from dtic - Grant	30,738,000	-	-	-	30,738,000
Revenue from exchange transactions	-	-	8,009,786	104,191,999	112,201,785
Interest revenue	7,667,570	-	-	-	7,667,570
Sundry Income	347,030	-	-	-	347,030
Total segment revenue	**38,752,599**	**-**	**8,009,786**	**104,191,999**	**150,954,385**
Expenditure					
Salaries and wages	33,065,267	-	-	33,173,101	66,238,368
Other expenses	5,087,104	17,152,743	2,647,733	36,524,660	61,412,240
Depreciation and amortisation	4,863,912	-	-	-	4,863,912
Total segment expenditure	**43,016,283**	**17,152,743**	**2,647,733**	**69,697,761**	**132,514,520**
Total segmental surplus/(deficit)	**(4,263,683)**	**(17,152,743)**	**5,362,053**	**34,494,238**	**18,439,865**

32. BUDGET DIFFERENCES

Comparison of amounts

The following are the explanations of material differences as required by paragraph 12(c) of GRAP 24.

a) Rendering of services revenue exceeded budget due to additional CAB's that were accredited in the year.
b) interest Income exceeds budget due to higher cash reserves. These reserves were because of both higher revenue and the retention of surplus from the 2022/2023 financial year.
c) Employee Costs were lower than budget due to a vacancy in the CEO position and not provisioning for bonuses.
d) Good and services costs were higher than budget due to variable costs relating to accreditation, matching the increased activity of increased CAB's. Additionally, costs relating to information technology infrastructure were incurred.
e) Debt impairment is because of a more rigorous debt assessment process implemented at year end. Management used the best available information to raise the provision for bad debt.

Budget and classification

Budget for the year is prepared on an accrual basis and is included in the budget Vote 39 – Department of Trade, Industry and Competition.

The approved budget covers the fiscal year 1 April 2024 – 31 March 2025.

33. DEPARTURE FROM REPORTING FRAMEWORK

National Treasury Instruction No 12 of 2020/2021 requires that public entities that have identified surplus as defined in the instruction, must either recognise a provision or a contingent liability in consideration of past practices. The Instruction further states that when, in the subsequent reporting period, the entity surrenders funds, this must be debited against the statement of financial performance.

The application of the above treatment would have resulted in SANAS reporting a loss of R4.8 million in the 2022/23 financial year from a surplus of R10.0 million. This is not a fair presentation, as SANAS is surrendering funds based on a strong financial performance. SANAS has instead recognised these cash surpluses against retained earnings and separately disclosed them in the Statement of Changes in Net Assets.

According to GRAP 1.21, where compliance with a requirement would be misleading and in conflict with fair presentation, a departure can occur. This departure does ensure that the financial statements present fairly the entity's financial position, financial performance and cash flows.

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RP189/2025
ISBN: 978-1-77997-896-7
Title of Publications: SANAS Annual Report 2024-2025

9 781779 978967