



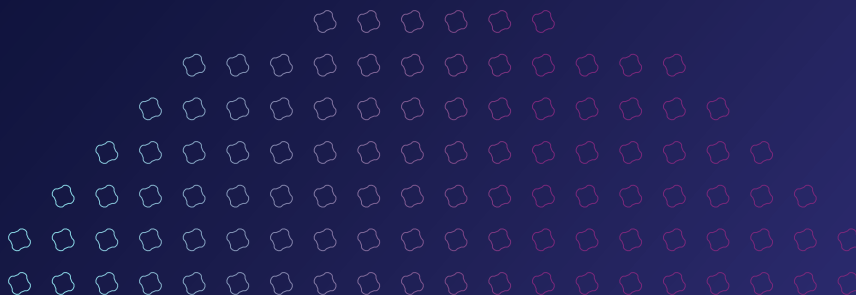
the cpsi

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



VOTE NO. 11

20 ANNUAL REPORT 25/26



**CENTRE FOR PUBLIC SERVICE INNOVATION
VOTE NO. 11
ANNUAL REPORT
2025/26 FINANCIAL YEAR**

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AAPAM	African Association for Public Administration and Management
AGSA	Auditor-General of South Africa
AO	Accounting Officer
ARC	Audit and Risk Committee
B-BBEE	Broad-based Black Economic Empowerment
CFO	Chief Financial Officer
DDM	District Development Model
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
HOD	Head of Department
IA	Internal Audit
IMA	(AAPAM) Innovation Management Awards
MPSA	Minister for the Public Service and Administration
MTDP	Medium Term Development Plan
NBPIA	National Batho Pele and Innovation Awards
NDP	National Development Plan
NSG	National School of Government
PFMA	Public Finance Management Act, Act 1 of 1999
PSC	Public Service Innovation
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SONA	State of the Nation Address
TR	Treasury Regulations

FOREWORD BY THE MINISTER



Inkosi Mzamo Buthelezi, MP
Minister for the Public Service and Innovation

Background

This year, we proudly reflect on a historic memorable moment, that took place thirty years ago, when former President Nelson Mandela signed the Constitution of the Republic of South Africa into the supreme Law of our country on 10 December 1996. This took place on International Human Rights Day, in Sharpeville, Vereeniging, following the adoption of the Constitution by the Constitutional Assembly and its certification by the constitutional court on 4 December 1996.

The choice of Sharpeville was not random; it was deeply symbolic. It commemorated the lives lost on 21 March 1960 and affirmed our country's commitment to human rights, dignity and equality. In addition, 2026 marks the 70th anniversary of the historic Women's March to the Union Buildings on 9 August 1956.

Our Constitution has subtly distinguished itself as one of the best and certainly an envy of the world at large. It has served as a cornerstone of our legislation that has played a pivotal role in charting and shaping our future destiny as a nation based on the principles of justice, equality and Human Rights. Events such as the Sharpeville Massacre and the Women's March shaped the Constitution to entrench equality, human dignity and the right to assemble, demonstrate, picket and petition.

As a result, it is a pro-citizen and sacrosanct document, befittingly defined by President Ramaphosa in his 2025 State of the Nation Address (SoNA) as *"a Constitution that not only emphasised redressing the injustices of the past, but also the progressive realisation of the right of all South Africans to housing, health care, food, water, social security, education and a better and prosperous life for all."*

This notion of the provision of services to citizen forms a key tenet and a predominant fixture of our enshrined as a right in our Constitution places. It is a binding and mandatory obligation on the public service, one on which no government has any latitude or any form of option. Accordingly, chapter 2 and Section 195 of the Bill of Rights, and Section 195 as enshrined within the Constitution clearly articulates that citizens should be provided with services as a right, not a privilege the responsibilities resting on the shoulders of every public servant in every sphere of government.

Furthermore, the Constitution Section 195 specifically advocates for the establishment of an effective, transparent, accountable and coherent development-oriented government as the kind of vehicle best suited to fulfil this constitutional responsibility, specifically fingering pointing to the local sphere or municipality for its proximity to citizens.

In a similar vein building on the Constitutional Mandate, the National Development Plan (NDP) also obligates government to deliver services to citizens as a primary mandatory responsibility. Adopted in 2012, the NDP also echoed the critical and urgent need for a capable, ethical developmental state with the requisite qualities and capabilities to fight the triple challenge of poverty, unemployment and inequality to improve the lives of citizens in line with our developmental agenda. The NDP is a comprehensive strategic

framework and a roadmap to lead the country on a growth trajectory towards a desired destination of a better life for all. This desired destination is articulated in Vision 2030 of the NDP.

However, foremost, the NDP demanded that attention be given to resolve challenges such as policy uncertainties, poor leadership, skills deficits, the erosion of accountability and authority, poor organisational design and low staff morale as they caused uneven performance amongst various government institutions across the three spheres of government, particularly the local government sphere. Topmost amongst these was.

To tackle these challenges, the NDP pointed to a number of effective interventions. These include, prioritising growing an inclusive economy, building capabilities, enhancing the capacity of the state, promoting leadership and forging robust cross-sectorial partnerships throughout society to tackle the triple-challenge of unemployment, poverty and inequality,

The call for sustainable service delivery to citizens first emanating from the Constitution and later, the NDP with its promising Vision 2030, has continues inspiring, renewed hope and optimism to citizens across the lengths and breath of our country. This is particularly true, especially for those citizens who were previously neglected and look up to government for a better future. On the flip side, it remains a clear reminder of the kind of responsibilities that we as government bear towards our citizens. We need to strive to accelerate delivery and cover more ground in terms of our developmental agenda. This is highly critical, particularly as we embark on the homestretch towards 2030.

Importantly, the alignment that the NDP draws between the country's developmental planning with the regional and international priorities, such as, the United Nations' Sustainable Development Goals (SDGs), the African Union's Agenda 2063, and Southern African Development Community's (SADC's) Revised Regional Indicative Strategic Development Plan, was a strong and unmistakable indication of the country's intended developmental trajectory and competitiveness internationally.

In the 2024-2029 Medium-Term Development Plan (MTDP), three key strategic priorities are listed that will guide 7th Administration or Government of National Unity (GNU) in the choice of practical actions it will take to make meaningful impact during its tenure of office. These are:

- Driving inclusive growth and job creation.
- Reducing poverty and tackling the high cost of living; and
- Building a capable, ethical and developmental state.

Summed up, what constitutes the strategic direction of the 7th Administration is driving inclusive growth and job creation to reignite economic growth and development, and to reduce poverty to ensure a better life for all citizens.

This developmental agenda stands as a shared responsibility for all government departments and agencies across the spectrum where all the programmes and policies carried out will be directed towards its achievement.

However, here too, recurrent as a key mantra remains the need for the urgent establishment of a capable, ethical developmental state as a vehicle best suited to reliably spearhead the quick and effective pursuance of our developmental agenda. The NDP lists defining characteristics of such a capable, developmental ethical state as having a thorough knowledge of the citizens' whereabouts, agility, responsiveness and relevance to enable it to move swiftly to intervene with the much-needed services to alleviate the plight of its citizens.

President Ramaphosa aptly described this as *"a kind of state that is capable and competent, underpinned by a professional public service.... a state that treats all people with dignity, humility and respect, a state with leaders who are prepared to serve our people with complete dedication, and public servants who are ethical, skilled and properly qualified."*

Growth, development and transformation, which are the much-desired qualities in our developmental journey depend on a strong and capable state. It therefore remains irrefutably true that our success in delivering on our developmental outcomes hinges on us having a capable, ethical and developmental state.

This is not only profound. Most importantly, it talks directly to the work of Public Service and Administration which includes implementing transformative and renewal measures that would see the public service morph into a new, innovative, skilled, ethical and professional establishment that serves citizens with empathy. These key qualities are in line with the principles of the Constitution of the Republic to “provide [an] effective, transparent, accountable and coherent government”, which is most importantly development oriented.

As we move forward, and in taking heed of the President’s declaration that 2026 must be a year of transformative change, we must intensify our collective efforts to build a state that serves all its people with professionalism, transparency, and bias-free excellence.

In doing so, we must remain guided by Priority 3 of the Medium-Term Development Plan, guided by Chapter 13 of the National Development Plan and the constitutional values and principles as articulated in Section 195.

This is the foundation upon which we must build a capable, ethical and developmental state for the present and future generations of fellow South Africans.



Inkosi Mzamo Buthalezi, MP
Minister for the Public Service and Administration
Date: 30 September 2026

3. DEPUTY MINISTER STATEMENT



Ms Pinky Sharron Kekana, MP
Deputy Minister for the Public Service and Administration

Background

For some time now, the National Development Plan (NDP) has been uppermost on our national agenda. Fourteen years since its adoption in 2012, it remains central to our national developmental agenda, emphasising the urgent need for the establishment of a capable, developmental and ethical state to decisively tackle the triple challenges of poverty, unemployment and inequality, which remain the historical bugbear of our nation.

The purpose of the NDP has been to guide the country onto a developmental trajectory of sustainable socio-economic growth and development, ultimately enabling us to realise the promise of a better life for all citizens, as envisaged in Vision 2030.

While there has undeniably been significant progress in improving the lives of citizens and expanding the scope of services delivered, burying our heads in the sand and feigning ignorance of the many challenges that continue to plague our people would be completely irresponsible.

The picture presented by various institutions, including Statistics South Africa (StatsSA), is that of a society still ravaged by poverty, where many families go to bed hungry without knowing where their next meal will come from. Recent labour statistics released by StatsSA revealed an increase in the unemployment rate during the first three months of 2026 to 32.7 per cent. The situation is particularly concerning for young people and women, who continue to experience significant challenges in the labour market.

For example, despite the hard work that has been carried out over time, many municipalities still grapple with the provision of basic and essential services such as clean drinking water, sanitation, adequate housing, healthcare, electricity and public safety. The historical divide in citizens' access to services between urban and rural communities continues to hang like a millstone around our necks.

There are glaring differences in performance levels among municipalities in our country, with many rural municipalities continuing to face the greatest challenges. This requires us to critically assess the effectiveness of interventions such as the District Development Model (DDM) and determine where implementation challenges may be limiting their intended impact.

This sad state of affairs points to lingering inefficiencies in some of the systems and processes that we have introduced to ensure the effectiveness of government operations. It is an indictment on the public service and its ability to satisfactorily discharge its constitutional obligations and realise the promise of a better life for all citizens.

This situation is undoubtedly consequential, as it provides fertile ground for further protests and demonstrations arising from the erosion of trust between government and citizens who increasingly feel betrayed by the very institutions established to serve them.

We cannot avoid looking critically at the public service, which is, inarguably, the face of the state and the engine of service delivery. Even more importantly, those of us in the Ministry of Public Service and Administration carry a particular responsibility, given the strategic mandate we bear to lead efforts towards building an efficient, effective, ethical and development-oriented public service.

In our work, we must be guided by the Constitution, which requires public administration to be effective, transparent, accountable and coherent. Most importantly, public administration must be development-oriented and responsive to the needs of the people.

Similarly, the National Development Plan calls for the establishment of a capable and development-oriented public service that can support meaningful socio-economic transformation. President Cyril Ramaphosa has consistently emphasised that a capable state must be experienced where people live and work. The truth is that the jury is still out on whether that capable state is being experienced consistently by all South Africans.

The National Framework Towards the Professionalisation of the Public Sector emphasises the need for a professional public service that is development- and service delivery-oriented. To achieve this, it recommends reforms such as strengthened recruitment and selection processes, continuous professional development through the National School of Government, and partnerships between state institutions, professional associations and universities to produce empowered, knowledgeable, skilled and competitive public servants.

The rebuilding of state capacity also requires deliberate succession planning, the attraction and development of young talent, and the strengthening of technical, professional and leadership capabilities across the public service.

President Cyril Ramaphosa has consistently emphasised the importance of a professional public service staffed by skilled, committed and ethical people. He has also highlighted the importance of empowerment, ongoing training and re-skilling to ensure that public servants are equipped to respond effectively to the changing needs of our society.

Chapter 10 of the Constitution of the Republic of South Africa, particularly Section 195(1)(h), clearly outlines the need to cultivate good human resource management and career development practices to maximise human potential.

We need to intensify our efforts towards the professionalisation of the public service. The National Framework Towards the Professionalisation of the Public Sector calls for public sector reforms that will strengthen government and enhance its capacity to achieve the objectives of Vision 2030 of the National Development Plan.

As the engine of the state, the Public Service and Administration portfolio, working through institutions such as the Centre for Public Service Innovation, must drive innovative and transformative measures that contribute towards a new kind of public service—one that is innovative, selfless, inspired and responsive to the needs of the people.

Alongside all these interventions, we should intensify efforts to embed innovation within the machinery of the public service. The NDP emphasises the importance of innovation across the state, business and society, including its role in improving public service delivery and strengthening South Africa's competitiveness.

The NDP further emphasises the importance of a National System of Innovation that permeates the culture of the public service, business and society, and contributes towards strengthening South Africa's competitiveness.

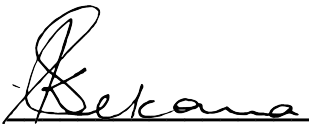
As part of its mandate, the CPSI plays a critical role in promoting the adoption and practical application of innovation across government. Innovation represents an important transformative step towards modernising existing systems and processes and improving government performance.

Through the work of the CPSI, government institutions are able to leverage innovation as a catalyst for improved performance and as an important pillar in the building of a capable state.

These initiatives, together with many others, including the recently unveiled Roadmap for the Digital Transformation of Government, have an important role to play in shaping and guiding our efforts. They provide an opportunity for us to turn a new page and make meaningful and visible strides towards improving the lives of our citizens.

Ultimately, the success of these interventions will not be measured only by the policies, frameworks and strategies that we adopt. It will be measured by the lived experiences of our people—by whether communities have access to basic services, whether young people can find meaningful employment, and whether citizens experience a public service that is responsive, ethical, efficient and committed to serving them.

The task before us is therefore clear. We must continue building a capable, professional, ethical and innovative public service that places the needs and aspirations of the people at the centre of everything it does.

A handwritten signature in black ink, appearing to read 'Pinky Kekana', with a horizontal line underneath.

Ms Pinky Kekana, MP
Deputy Minister for the Public Service and Administration
Date: 30 September 2026

4. REPORT OF THE ACCOUNTING OFFICER



Mr Pierre Schoonraad
Executive Director (acting)

Background

This Annual Report provides an outline of the work of the Centre for Public Service Innovation (CPSI) for the 2025-2026 financial year of government that ended on the 31st of March 2026. It is the first year out of the five-year covered by the 2025-2029 Strategic Plan of the CPSI.

As a national government component, the CPSI is one of the institutions that fall under the Minister for the Public Service and Administration. The other entities are The Department of Public Service and Administration as the leading policy department and principal department of the CPSI, the National School of Government (NSG), responsible for training and capacity development, the Government Employees' Medical Scheme (GEMS), and the office of the Public Service Commission (PSC).

Guided by their respective mandates, these institutions collectively and individually support the Portfolio in fulfilling its strategic overarching mandate to contribute towards building an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

This is essentially, a constitutional mandate, one that is fundamentally rooted in the values and principles found in Section 195 of our Constitution, namely accountability, professionalism, transparency and inclusive service. Furthermore, it is guided by the National Development Plan (NDP) as well as, most recently, the Medium-term Development Plan to build a capable, development and ethical state.

The mandate of the CPSI

Alongside the other entities within the MPSA, the CPSI dispatches a highly strategic and unique mandate to facilitate the adoption and entrenchment of a culture and practice of innovation in the public service to improve its ability to perform its duties, albeit the provision of services to citizens or administration and governance. The CPSI does this through:

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

Contextually this mandate is premised on a firm acknowledgement by the CPSI of the transformative and catalytic and limitless power of innovation to improve government performance, productivity and services. Therefore, the mandate of the CPSI, affirms the role of the organisation as a thought-leader with a

government-wide reach, to ensure that innovation becomes an important lever for the public sector to achieve the constitutional principles of inclusivity and equity.

In its work, the CPSI is directed by its vision of a solution-focused effective and efficient public service through innovation which, in turn, draws from the provisions of the Public Service Act.

Highlights of the year

The 2025-26 financial year began on a high note, with the CPSI receiving a Clean Audit Outcome for the Financial Year ending 31 March 2025 following its exceptional performance in 2024-25. This was our ninth clean audit and the eighth in succession. This was undoubtedly a remarkable achievement that was realised despite our usual challenges of being under-resourced, both in terms of financial allocations as well as human resources. The organisation was thus buoyed and emboldened to continue this commendable culture by ensuring that it meets all its targets for the year ahead.

Government entities tend to waste resources by reinventing or procuring solutions that exist elsewhere within the state. There are many reasons for this, including poor inter-departmental communication, deeply engrained silo mentality and industry lobbying. The CPSI has been working hard to counter this by cultivating a culture of collaboration, knowledge sharing co-development and exchange of innovative practices for possible replication amongst public sector entities. A number of initiatives this year aligned with the intent to learn from, build on, replicate and scale identified innovations in the public sector.

Below, we provide highlights of our achievements that the CPSI has carried out during the year under review, demonstrating the organisation's relentless and unswerving perception of the transformative value of innovation as a catalyst and enabler of improved government performance.

Research and Development of new solutions

This year the commitments to both multi-year projects, and customising in-house solutions, gained significant momentum. Working with the Northern Cape and Western Cape administrations as one collaborative developer team, Phase 1 of the **Citizen's Portal** for the Northern Cape was completed through a series of sprints. This is a significant step in the province's digital transformation journey towards bringing services closer to citizens. It further allowed the CPSI to gain experience in using agile methods working across spheres of government.

In-house solutions, i.e. solutions developed by public servants to address challenges, bring significant efficiencies and cost saving to government institutions. As enabled by Public Service Regulation 50 that assigns the right of use of internally developed solutions to government, the CPSI is working closely with provincial CIOs to share source code, then customise and implement these solutions. **eRecruitment** is one such a solution and in the year under review the CPSI has customised the solution, originally developed in the Eastern Cape, with the Office of the Premier of Mpumalanga. With the support from the Office of the Premier in Eastern Cape it was deployed province wide.

Replication of proven innovations

During the year under review, the CPSI continued with this important responsibility and facilitated the replication of innovative solutions that were unearthed through the Awards Programme, including:

- the **Court Watching Brief Tool**, a project that was replicated in the Western Cape, Northern Cape, Eastern Cape and North West provinces, improving efficiency in court oversight by digitising manual reporting processes, allowing for effective follow-up on cases that were struck off the roll and withdrawn, and

- the **Broselow Emergency Reference Tape Inspired Paediatric Resuscitation Boxes**, an innovation aimed at reducing anxiety during resuscitations, shortens the time from start to intubation, reduces precious time spent looking for essential paediatric equipment and working out treatment dosages, and preventing fatalities. The solution was replicated in numerous clinics and hospitals in the Western Cape and Gauteng.

Institutional support on innovation

Replicated solutions cannot have sustained impact if implementing institutions are not taking ownership and do not have the capacity to sustain these. As such, we have always cherished the importance of supporting government entities for them to internalise their innovation mandate. Therefore, during the year under review we have continued supporting various institutions in their efforts to entrench an innovation culture.

Creating an enabling, innovation-friendly environment in the public sector

As an organisation, we recognise the importance of having in place an environment that permits, encourages and nurtures innovation in its totality, that is, with its benefits and, inevitably, the capacity to manage inherent risk that can come with it.

We fully support the NDP in its call for an enabling public sector environment that is suitable for collaborative innovation across state, business and social sectors aimed at improving its performance to achieve the developmental agenda.

As a result, during the year under review, we continued with knowledge platforms which we host annually to promote learning and knowledge sharing the public service. These include:

- **The 19th Annual Public Sector Innovation Conference 2025**, which took place in August 2025. Themed **Citizen-centric Digital Transformation**, the conference sought to amplify the call in government to fast-track digital transformation as an effective way of facilitating universal access to government services by all citizens anywhere and anytime.
- **The Developers Convention (DevCon)**, which ran alongside the main Conference as a community of practice, aimed at practicalising the conference theme by creating a shared environment for developers and ICT practitioners within government to learn, showcase, share and collaborate on viable digital solutions suitable for shared challenges.
- **A conference on Citizen-Centric Service Delivery**, hosted in partnership with Regenesys Business School bringing leaders from the public sector, private sector, civil society and academia.
- An **Innovation Knowledge Repository** which serves as a key reference point showcasing impactful innovative projects and case studies to promote learning and guidance for possible future replication.

These were interspersed with other critical activities such as **Design Thinking and Innovation workshops** to empower public servants from various government institutions and fostering inter-provincial collaboration through regular joint engagements with provincial CIOs and their teams.

Germinating and growing from such a fertile innovation-friendly environment in the public sector, there should, expectedly be innovation. Accordingly, during the year under review, the CPSI and the DPSA jointly hosted the annual **National Batho and Innovation Awards** in November 2025 to showcase, recognise and publicise those groundbreaking public sector innovations and examples of excellence for possible replication where need arises to save government resources.

Youth digital skills development

As an organisation that has been tasked to drive change in the public sector through innovation, the CPSI prides itself on our contribution towards youth empowerment. This does not take place as an add-on to our initiatives but is becoming a critical component of the digital transformation roadmap as the youth is an important catalyst for the adoption of digital solutions.

As such, we continue to work in partnership with youth organisations such as Geekulcha, who are running several country-wide initiatives such as hackathons and developer labs to advance youth ICT skills development. Through this collaboration we are also providing opportunities to youth to participate in the development of solutions for contemporary service delivery challenges.

A highlight in this regard, was mentoring and providing design thinking training for the **G20 Tourism Hackathon** for tourism students hosted by the Department of Tourism, leveraging AI to explore new opportunities in tourism. Winning students presented their solutions to the G20 Tourism Ministers' Meeting.

- **Overview of the financial results of the department:**

- Departmental receipts

Departmental receipts	2025/2026			2024/2025		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	3	6	(3)	2	5	(3)
Interest, dividends and rent on land	1	1	-		-	-
Financial transactions in assets and liabilities	30	24	6	63	68	(5)
Total	34	31	3	65	73	(8)

For the 2025/26 financial year, the CPSI collected total departmental receipts amounting to approximately R31,000 against projected revenue of R34,000, thus approximately R3,000 (8.8 per cent) lower than the previous year. Due to the nature of its activities, the core function of the CPSI is not to collect revenue. The lower-than-anticipated recoveries relating to staff debt and commission income.

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

Departmental revenue collection is monitored monthly through BAS reporting, and performance against projections is reviewed as part of routine financial oversight. No bad debts were written off during the 2025/26 financial year, and the CPSI did not sell any capital assets during the reporting period.

Going forward, the CPSI will continue to strengthen its internal recovery mechanisms and enhance the accuracy of projections relating to incidental receipts for budgeting purposes.

➤ Programme Expenditure

	2025/2026			2024/2025		
Programme Name	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	27 145	22 419	4 726	24 439	20 337	4 102
Programme 2: Public Sector Innovation	24 058	23 656	402	23 500	21 413	2 087
Total	51 203	46 075	5 128	47 939	41 750	6 189

Expenditure Summary and Comparison

The CPSI was allocated a final appropriation of R51.203 million for the 2025/26 financial year. Actual expenditure amounted to R46.075 million (90.0 per cent) , resulting in an under-expenditure of R5.128 million (10.0 per cent. In comparison, during the 2024/25 financial year, the CPSI's final appropriation was R47.939 million, with actual expenditure amounting to R41.750 million, resulting in an under-expenditure of R6.189 million (12.9 per cent) .

At programme level:

- Programme 1: Administration spent R22.419 million of the R27.145 million appropriated, resulting in an under-expenditure of R4.726 million (17.4 per cent) .
- Programme 2: Public Sector Innovation spent R23.656 million of the R24.058 million appropriated, resulting in a slight under-expenditure of R402 000 (1.7 per cent) .

The under-expenditure is mainly attributable to Compensation of Employees amounting to R3.442 million, primarily due to unfilled funded vacant posts, including one SMS post and a number of non-management positions that were still subject to recruitment and approval processes at the time of reporting. Additional underspending arose from delays in the relocation of the CPSI to new office accommodation by the Department of Public Works and Infrastructure (DPWI), which resulted in certain planned expenditure not being realised before the end of the 2025/26 financial year.

Virements and Rollovers

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

Unauthorised and Irregular Expenditure

No unauthorised expenditure or irregular expenditure was incurred during the 2025/26 financial year.

Fruitless and Wasteful Expenditure confirmed

During the period under review, the CPSI recorded two cases of fruitless and wasteful expenditure relating to missed flights amounting to R2 865.07 each. Both matters were referred to the Loss Control Committee and relate to two different employees.

Possible loss and/or Fruitless and Wasteful Expenditure under assessment

Additionally, the CPSI is investigating expenditure amounting to R23 229 relating to official travel undertaken where travel arrangements could not be utilised as planned due to visa-related complications (R3 159) and travel documentation compliance-related complications (R20 070). The matter is currently under review by the relevant governance structures to determine whether any portion of the expenditure constitutes a

recoverable loss and/or fruitless and wasteful expenditure in terms of the PFMA and Treasury Regulations. The final outcome of the investigation had not yet been concluded at the reporting date.

Gifts, Donations and Sponsorship Received (in kind)

The CPSI acknowledges with appreciation the support received through in-kind sponsorships from various stakeholders during the 2025/26 financial year. These sponsorships mainly contributed meaningfully to the success of the 19th Public Sector Innovation Conference, the National Batho Pele and Innovation Awards Programme, and participation in international innovation engagement platforms. The total value of sponsorships received *in kind* was R813,000 comprising the following:

- **R302 000** sponsorship from GEMS supporting the 19th Public Sector Innovation Conference and DevCon.
- **R88 000** sponsorship from Huawei supporting the 19th Public Sector Innovation Conference and DevCon.
- **R33 000** sponsorship from Cocre8 supporting the 19th Public Sector Innovation Conference and DevCon.
- **R70 000** sponsorship from Microsoft supporting the 19th Public Sector Innovation Conference and DevCon.
- **R38 000** sponsorship from Galeboe supporting the 19th Public Sector Innovation Conference and DevCon.
- **R24 000** sponsorship from Boxfusion supporting the 19th Public Sector Innovation Conference and DevCon.
- **R66 000** sponsorship from Meta towards travel-related costs (flights accommodation and ground transport) for the three (3) representatives from the CPSI to attend an AI Summit.
- **R180 000** sponsorship from GEMS towards adjudicators' gifts, the GEMS Health Award and guests of the 2025 National Batho Pele and Innovation Awards
- **R12 000** sponsorship from the Office of the Prime Minister Namibia towards travel and accommodation costs for one representative from CPSI as a speaker at the Namibia Public Sector Innovation Conference.

Exemptions and deviations received from the National Treasury

No exemptions from the Public Finance Management Act (PFMA) , Treasury Regulations (TR) , or deviations from prescribed financial reporting requirements were received from the National Treasury during the 2025/26 financial year or the previous financial year.

The CPSI complied with all applicable financial reporting frameworks, Treasury Instructions, and reporting requirements prescribed for the reporting period. Accordingly, no specific conditions, corrective measures, or monitoring mechanisms relating to exemptions or deviations were applicable during the year under review.

Events after the reporting date

No material adjusting or non-adjusting events, whether favourable or unfavourable, occurred between the reporting date and the date of approval of the Annual Financial Statements that would have a material impact on the financial position, financial performance, or cash flows of the CPSI.

Accordingly, no adjustments to the Annual Financial Statements were required, and there were no non-adjusting events requiring disclosure in terms of the applicable financial reporting framework.

Subsequent to the reporting date, a new Acting Executive Director was appointed by the Minister from 1 April 2026. Management assessed the matter as a non-adjusting event after the reporting date which did not require adjustment to the Annual Financial Statements.

Other

There were no other material facts or circumstances, not otherwise disclosed in this Annual Report, which may have a material effect on the understanding of the financial position or affairs of the CPSI during the 2025/26 financial year.

Acknowledgement/s or Appreciation

The CPSI extends its sincere appreciation to the Minister and Deputy Minister for the Public Service and Administration, the Department of Public Service and Administration, in particular the Internal Audit and Legal Services units, the Audit and Risk Committee, management and employees, as well as all stakeholders, sponsors and partners who contributed towards the achievement of the organisation's mandate during the 2025/26 financial year.

A special appreciation is extended to Ms Lydia Sebokedi who has led the CPSI since 2020 before taking early retirement. Under her leadership the organisation achieved 6 consecutive Clean Audits whilst ensuring that we continue building a culture of innovation in the public sector.

The CPSI further acknowledges the continued support and collaboration received from government departments, the private sector, academia, civil society, development partners, and sponsors who continue to support innovation initiatives aimed at improving public service delivery.

Special appreciation is also extended to innovators across the public sector, participants in the Youth Digital Skills Development Programme, and all stakeholders who contributed towards strengthening a culture of innovation, collaboration, and learning within government.

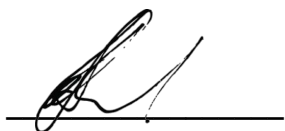
CONCLUSION

As an institution mandated to promote the culture and practice of innovation in the public sector, the CPSI fully appreciates the significant potential of innovation to enable the state to deliver on its developmental agenda and realise the Vision 2030 objectives of the National Development Plan. Based on our experiences, we have become increasingly aware of the value of innovation in providing fit-for-purpose solutions that respond to identified and clearly articulated service delivery challenges.

Through our research programme, the CPSI will continue to identify and address the root causes of service delivery challenges. Leveraging our research capability and expertise, we will continue to explore emerging trends, technologies, and innovative approaches that can contribute towards improving the effectiveness and efficiency of public sector operations.

In responding to the NDP's call for stronger intergovernmental relations to support integrated, collaborative, and seamless service delivery, the CPSI will continue to strengthen multi-sectoral partnerships involving government, the private sector, academia, and civil society. These partnerships remain essential for enabling rich cross-pollination of innovative ideas and supporting the modernisation of public sector systems and processes.

The CPSI will also continue to support the Youth Digital Skills Development Programme, including hackathons and innovation platforms, to ensure that the public service benefits from the creativity, innovation, and enthusiasm of young people in harnessing the opportunities presented by digital transformation and ICT innovation. In addition, the CPSI will continue to nurture and sustain innovation knowledge platforms that support a growing community of practice among innovators in government, thereby contributing towards a learning, capable, and innovative public service.



Mr Pierre Schoonraad
Accounting Officer (Acting)
CPSI

Date: 31 July 2026

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

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

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

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

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

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

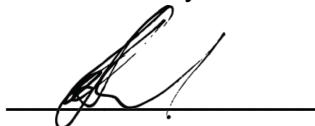
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2026.

Yours faithfully

A handwritten signature in black ink, appearing to be 'P. Schoonraad', is written over a horizontal line.

Accounting Officer (Acting)
Mr Pierre Schoonraad
Date: 31 July 2026

7. STRATEGIC OVERVIEW

7.1. Vision

A solution-focused public sector through innovation.

7.2. Mission

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

7.3. Values

The following values guide the CPSI's strategic direction:

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

8. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

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

(b) Efficient, economic, and effective use of resources must be promoted.

(c) Public Administration must be development-oriented.

(d) Services must be provided impartially, fairly, equitably, and without bias.

(e) People's needs must be responded to, and the public must be encouraged to participate in policymaking.

(g) Transparency must be fostered by providing the public with timely, accessible, and accurate information.

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

Accordingly, the CPSI:

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

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

- (a) Foster friendly relations;
- (b) Assist and support one another;
- (c) Inform and consult one another on matters of common interest; and
- (d) Co-ordinate actions and legislation in a spirit of mutual trust and good faith.

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

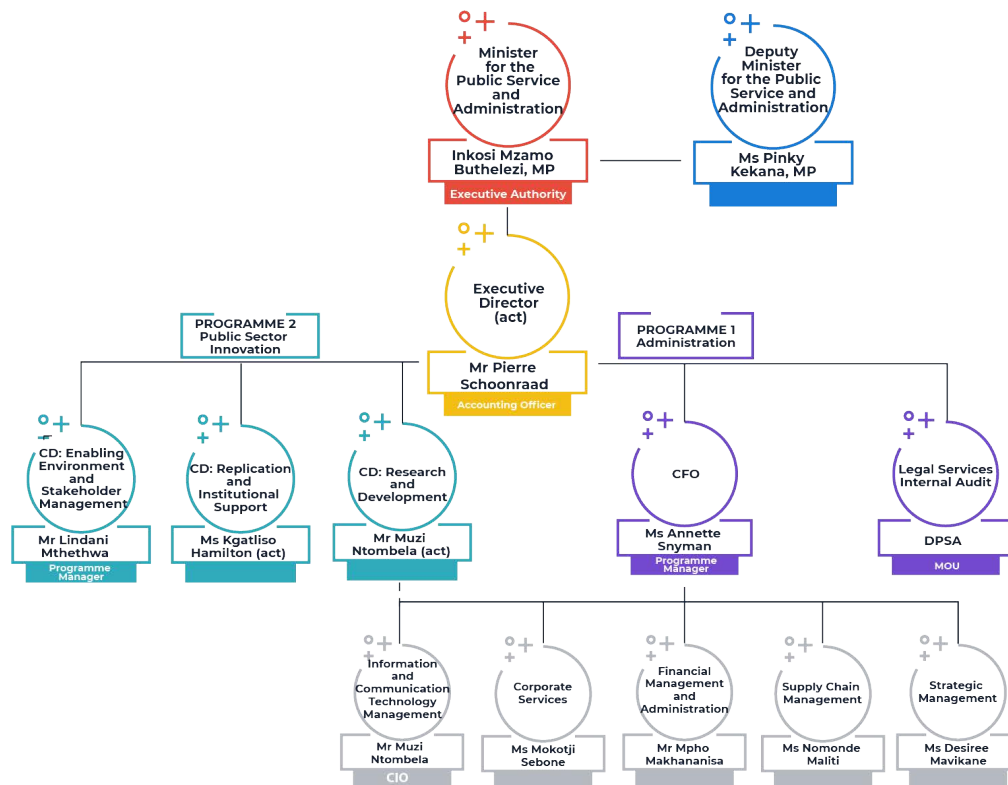
Legislative and Policy Mandates

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

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

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

6. ORGANISATIONAL STRUCTURE



This approved structure (incumbency as at 31 March 2026) enables CPSI to deliver on its innovation mandate by ensuring adequate support for internal operations, while facilitating collaboration, project development, stakeholder engagement, and the replication of innovative solutions across the public sector. The organogram reflects clear reporting lines and role delineation, contributing to sound governance, accountability, and operational efficiency.

7. ENTITIES REPORTING TO THE MINISTER

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Department of Public Service and Administration (DPSA)	Public Service Act, 1994 (Proclamation No. 103 of 1994), as amended. Public Administration and Management Act, 2014 (Act No. 11 of 2014).	The CPSI receives its annual appropriation through a transfer from the DPSA. The DPSA and CPSI have also entered into a Memorandum of Understanding (MoU) relating to shared services provided by the DPSA to the CPSI at no cost.	Policy development, oversight, and enforcement within the Public Service.
National School of Government (NSG)	Public Service Act, 1994 (Proclamation No. 103 of 1994), as amended. Public Administration and Management Act, 2014 (Act No. 11 of 2014).	None.	Provision of education, training, and development within the three spheres of government, state-owned entities, and organs of state.

The information provided in this section is aligned with the disclosures contained in the Related Party Transactions note in the Annual Financial Statements (Part F). In particular, the financial relationship between the CPSI and the DPSA is outlined in the note, including the annual transfer payment and the Memorandum of Understanding relating to shared services rendered at no cost.

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on performance information. The level of assurance provided may be reasonable (an opinion) or limited (a conclusion) or none (findings) as predetermined by the AGSA. Assurance in the form of an audit opinion or conclusion on the usefulness and reliability of the reported performance information is currently included in the management report. Material findings are reported in the auditor's report.

Refer to page 94-95 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The 7th Administration is now firmly established itself and has given direction follow. This is evident in the stability enjoyed in the Cabinet and departments. What is encouraging is that the year under review saw the CPSI getting positive support from the Portfolio Committee on Public Administration. The clear directives given to departments have resulted in an increase in the demand for CPSI services. Several departments and other entities have approached the CPSI and presented their challenges with the intention of developing new solutions. Currently the list is significantly longer than the available resources to support these departments.

What is also worth celebrating here is that South Africa successfully hosted the 2025 Group of Twenty (G20) Forum, the first time this forum was hosted in the African continent. As part of our contribution, the CPSI supported the Department of Tourism in organising a Tourism Hackathon where the CPSI leveraged on the work done with youth on digital skills development to help organise and execute a successful Hackathon.

The CPSI does not deliver services directly to the public. However, in the financial year under review, the CPSI managed to intensify its Youth Digital Skills Programme which is used to capacitate young people with skills which we hope, will benefit the Public Sector whilst enabling them to become digitally literate public servants of the future. The programme covered learners and students who are still finding their feet with regards to career pathing, with an emphasis on rural areas in provinces such as Limpopo and the Northern Cape.

One of the challenges that the CPSI faces is that the organisation's development and replication programmes do not always lead to the scaling of innovations. Though CPSI cannot lead scaling, as this is the mandate of the respective service delivery departments or sectors, challenges or barriers relating to scaling require further investigation. Public sector innovations are unearthed through the annual awards programme and subsequently two solutions from the finalist projects are replicated annually. However, after replication it remains a challenge to get departments to adopt these solutions on a much wider scale. As a result, we still operate in a space where we see pockets of innovations getting replicated but not scaled. For example, the CPSI customised an e-Recruitment Solution for the Mpumalanga provincial government departments, a solution originally from the Eastern Cape Province. Whilst some other provinces such as Gauteng, Western Cape and Limpopo Province and some municipalities such as eThekweni Metro, Matjhabeng Local Municipality have all implemented their own e-Recruitment solutions, there is a need for these to be scaled to other provinces and municipalities. That remains a challenge.

One of the ways in supporting the broader scaling of solutions is to leverage networks such as the inter-provincial network (comprising of amongst others, Western Cape, KwaZulu-Natal, Northern Cape, Eastern Cape, Limpopo, North West, the CPSI, DPSA, DCDT and SITA) which has been meeting regularly during the last financial year. This network is promoting collaboration and coordination whilst eliminating duplication of effort. It will assist in the efforts to scale solutions, and we are hopeful that other provinces will see the need to become part of this network to collaborate and share solutions. This initiative is also supportive of our intensified efforts to promote government in-house digital solutions developed by software developers employed in the Public Sector. Most provinces and a number of national departments have embraced this idea of developing their own digital solutions to address challenges, instead of procuring these off-the-shelf,

mostly from multi-national companies. The challenge here again is the issue of the adoption of these solutions by departments that face similar challenges, a matter that we hope will be resolved in part by the inter-provincial coordination.

We are also dealing with this challenge by building a network of public sector software developers. The CPSI held its second Developer Convention attended by 100 software developers and related professions, an event that was held alongside the Annual Public Sector Conference. Through this network, we are observing exchange of best practices, peer learning and co-designing amongst these public servants, but also further capacitated in and exploration of new areas including issues of intellectual property management.

The CPSI continues to encourage empathy and the participation of citizens in the way services are designed and rendered by government. Towards this end, the CPSI continues to take public servants through Design Thinking and Innovation workshops. During our Annual Public Sector Innovation Conference, we learnt that the Speedy-Q Solution, a pharmacy innovation that was implemented at Edenvale Hospital, was inspired by the project leader's attendance and participation in one of these workshops. This is an indication of the impact that this training is having.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Payment of service providers	Suppliers	Payments are made within 30 days	Payments to be made within 20 days	Payments are made within 5 days
Support youth in ICT skills development	The youth	A reach of about 300 youths per annum	A reach of about 600 youths per annum	A reach of more than 1200 youths per annum
Produce PSI related knowledge for sharing	Departments and municipalities	A minimum of two research initiatives studies developed	To develop one case study and maintain the Knowledge Repository	In addition to case study, a Knowledge Repository was developed and populated with 35 cases
Providing a platform to exchange best practices	Public servants, academics, civil society, entrepreneurs and youth organisations	The conference attracts 350 delegates per annum	Annual delegates of 450	350 delegates attended the conference
Develop a network of government software developers	Government employed software developers	Currently we have managed to organise an engagement for 100 software developers	To host an annual engagement of 150 government employed software developers	Hosted a DevCon attended by 100 software developers
Provide capacity on new innovative tools	Government departments	Currently providing four per annual short Design Thinking and Innovation courses	Host 6 Design Thinking and Innovation workshops	Three Design Thinking and Innovation workshops hosted, two as part of broader programmes
Replicating best practices	Departments	Currently we replicate two innovations per annum	To scale replicated solutions	Replicated two innovations per annum and provide institutional support to two institutions

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Unearthing public sector innovations	Departments /Municipalities	Currently we unearth about 60 government innovations per annum	To unearth 100 government innovations per annum	Unearthed more than 90 government innovations per annum through Awards programmes (NBPIA and AAPAM IMA)
Develop innovative solutions	Departments	A modular-based and incremental development of innovative solutions	To develop innovative solutions within two years of inception	Developing innovative solutions within three years
Linking solution providers with government challenges	Departments, Municipalities, entrepreneurs and innovators	Innovators physically and virtually connect with us sharing their solutions to share innovations. A Knowledge Repository was developed for sharing public sector innovations	To increase the number projects in the Knowledge Repository to 100	The Knowledge Repository was developed and populated with 35 public sector innovation projects

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	The CPSI uses Design Thinking as its methodology which requires consultation and co-design of solutions for departments and citizens who are the ultimate beneficiaries.	Innovation programmes of the CPSI involve participation and co-development by stakeholders, from the youth digital skills programme to solutions that are developed with departments, e.g. Citizens' Portal co-developed and stakeholder engagement visits to Thusong Centres in the Northern Cape to ensure needs are met.
Access to services	The CPSI supports departments and youth development thus there are no services rendered to citizens.	Through its replication and youth programmes, the CPSI has ensured increased access to government services. For example, the eRecruitment solution developed for Mpumalanga allows for increased access to employment opportunities.
Value for Money	Each solution developed or replicated should demonstrate value for money.	Leveraging in-house solutions where government has the right of use eliminates the need to procure expensive licences for proprietary solutions.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
The organisation's website serves as the primary source of information	Improving the website.	The website now includes a growing Knowledge Repository of public sector innovations
Social media: YouTube channel is used to stream events and other media such as LinkedIn, Facebook and X are leveraged to convey news and announcements	Blogging on platforms such as LinkedIn.	Social media was used effectively to share CPSI messages, including streaming of the annual conference and Awards ceremony.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints are made via info info@cpsi.co.za	To have a mechanism within our website and social media platforms where complaints can be made.	We have not received and complaints

2.3 Organisational environment

The CPSI operated within an evolving organisational environment characterised by an increasing demand for innovation, service efficiency, and digitisation, while also contending with internal and external resource constraints.

During the reporting period, the CPSI maintained relative stability in its organisational structure, with minimal changes to its staffing complement. Existing capacity was optimised through targeted development initiatives aimed at strengthening digital skills and innovation-support functions. The CPSI further advanced its internal digitisation agenda through ongoing improvements to administrative processes within finance, supply chain management, and human resources.

Progress relating to certain internal digitisation initiatives experienced delays following the conclusion of contracts for interns who had been externally funded by the Gauteng Innovation Hub. Despite these challenges, the CPSI successfully implemented the eLeave Platform, which has improved organisational efficiencies relating to leave administration. The same team also contributed towards the development of the CPSI Knowledge Repository, which provides public servants with access to innovative solutions aimed at addressing service delivery challenges and supporting the CPSI replication programme.

The Acting Executive Director of the CPSI took early retirement at the end of the 2025/26 financial year. Despite this transition, there were no significant disruptions arising from labour unrest, maladministration, or reported corruption during the reporting period. Stability in leadership, albeit in an acting capacity, enabled the organisation to maintain focus on performance delivery despite operational challenges.

A key challenge during the year under review remained the condition of the CPSI's office accommodation. Following the identification of structural concerns and occupational health and safety risks at the current premises, temporary office relocation measures were implemented in consultation with the Department of Public Service and Administration (DPSA). The Department of Public Works and Infrastructure (DPWI) was engaged in assisting the CPSI to secure suitable office accommodation. However, limited progress was made due to procurement-related challenges experienced by DPWI in securing alternative accommodation for the organisation.

Despite infrastructure constraints, the organisational culture remained rooted in resilience, accountability, and innovation. The CPSI sustained its clean audit record and continued to strengthen sound internal control practices.

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

2.4 Key policy developments and legislative changes

There were no major legislative amendments or significant policy changes during the 2025/26 financial year that materially affected the operations or mandate of the CPSI.

The CPSI continued to operate within the existing legislative and policy framework governing the public service, including the Public Service Act, 1994, the Public Finance Management Act, 1999 (PFMA), the Public Administration Management Act, 2014, and applicable Treasury Regulations and directives.

The organisation also continued to align its operations and innovation support initiatives with broader government priorities relating to digital transformation, modernisation of the public service, and improved service delivery.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The CPSI set two strategic outcomes for achievement over the five-year period. These Outcomes will contribute to the **improvement of effectiveness and efficiency of the public service and its service delivery to the public through innovation.**

Effective corporate governance: The achievement of this outcome will contribute to the attainment of one of the goals and objectives of Priority Three of the MDTP in terms of improved governance as part of building a capable, ethical and developmental state. It will also ensure, amongst others, accountability for the effective and efficient use of allocated resources towards the fulfilment of the organisation's mandate. By maintaining strong financial controls and ensuring compliance with audit standards, the CPSI obtained a clean audit outcome for the 2024/25 financial year, the 1st of the targeted five, ensuring clean governance, preventing fraud and corruption, and establishing a solid foundation for a sustainable innovation programme.

This outcome further drives the organisation's digital transformation, focusing on the integration of innovative ICT solutions to streamline back-office processes across key areas such as administration, finance, supply chain management, and human resources. As an innovation facility for the public sector, the Centre should be able to demonstrate digital transformation and how this improves the efficiency and effectiveness of our administrative work. During this financial year the CPSI digitised the internal Recruitment process. Though the impact will only be achieved in the new financial year when posts will be advertised, the process is eliminating the need to manually compiling a master list, thus reducing the processing time with at least two weeks.

Culture and practice of innovation entrenched in the public sector: This outcome contributes directly to the achievement of the Mandate of the CPSI and the implementation of the MTDP. The choice of these outcome indicators is aligned and informed by the provisions of Government Notice 700 of 02 September 2011 that clearly articulates the functions of the CPSI. The work towards achieving this outcome is resulting in an enabling environment where innovation can become pervasive across the public sector. This requires, amongst others, political support, strong collaboration across and within departments, agile practices and strengthening of digital skills. With more than 1000 youth reached annually through our collaboration on youth digital skills, the CPSI is addressing the scourge of youth unemployment across the country. This initiative, along with other citizen-focussed solutions such as the Citizens' Portal, the CPSI is also contributing to eliminating the digital divide through actively designing solutions for inclusivity.

Through our knowledge platforms this environment is actively nurtured with systems developers collaborating on initiatives, innovators sharing knowledge and support replication and implementation across government, and where barriers are identified and actively addressed.

The outcome is also a cross-cutting outcome that directly supports the achievement of the three priorities of the 7th Administration as articulated in the MDTP. Innovations unearthed for replication touches on all three priorities, addressing issues such as food security and offender rehabilitation (replication of Smart Agricultural Boxes) and improved health outcomes, specifically reducing child mortality (Broselow Tape Project).

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. Programme 1: Administration

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

Within Administration, there are three subprogrammes:

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

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

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

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

Audit opinion on financial and non-financial information

The CPSI obtained an unqualified audit opinion on both financial and non-financial information for the 2024/25 financial year. This reflects the organisation's continued commitment to sound governance, accountability, and effective internal control systems.

Workflows digitised

During the 2025/26 financial year, the CPSI successfully implemented the Online Recruitment Platform within the organisation. The implementation was undertaken in tandem with the Mpumalanga e-Recruitment Project. As part of the implementation process, the Human Resources team participated in two training workshops conducted during the fourth quarter of the financial year.

The CPSI will continue to focus on system improvements, enhancements, and support as part of the ongoing optimisation phase during the 2026/27 financial year. The utilisation of the platform for advertising vacant posts is expected to commence during the first quarter of the 2026/27 financial year.

The Administration Programme is central to the organisation's ability to execute its innovation mandate. By ensuring sound governance, operational efficiency, digital transformation, and financial discipline, these achievements establish a strong institutional foundation that enables the organisation to contribute towards effective corporate governance.

Programme1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	**Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Effective corporate governance	Unqualified audit opinion on financial and nonfinancial information	Type of audit opinion on financial and non-financial information	Unqualified audit opinion on financial and nonfinancial information for the 2022/23 financial year	Unqualified audit opinion on financial and nonfinancial information for the 2023/24 financial year	Unqualified audit opinion on financial and nonfinancial information for the 2024/25 financial year	Achieved Unqualified audit opinion on financial and nonfinancial information for the 2024/25 financial year	None	N/A
	Digitised workflows implemented	Number of workflows digitised	-	-	1	Achieved 1	None	N/A

Linking performance with budgets

Programme 1: Administration was allocated a final appropriation of R27.145 million for the 2025/26 financial year, of which R22.341 million was spent by 31 March 2026, resulting in an under-expenditure of R4.804 million (17.70%). In the previous financial year (2024/25), Programme 1 had a final appropriation of R24.439 million, with actual expenditure amounting to R20.337 million, resulting in an under-expenditure of R4.102 million (16.78%).

The under-expenditure during the 2025/26 financial year is primarily attributable to vacant positions, including one SMS post and two non-SMS posts, which resulted in lower-than-anticipated expenditure under Compensation of Employees.

Additional underspending was recorded under goods and services, mainly relating to office accommodation expenditure. This arose from delays in the relocation of the CPSI to new office accommodation due to procurement-related challenges experienced by the Department of Public Works and Infrastructure (DPWI), which prevented the planned relocation from being finalised before the end of the financial year.

Despite the under-expenditure, Programme 1 achieved its planned output of securing an unqualified audit opinion on both financial and non-financial information for the 2024/25 financial year. The programme continued to provide strategic, financial, administrative, and governance support that enabled overall organisational performance. Key achievements included the timely payment of suppliers within five days, successful coordination of audit processes, and the continued maintenance of sound internal control systems.

Sub-programme expenditure

Sub-Programme	2025/26			2024/25		
	Final Budget	Actual Expenditure	Variance	Final Budget	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Executive Support	5 385	3 224	2 161	5 122	2 541	2 581
Corporate Services	14 138	12 053	2 085	12 552	11 276	1 276
Office of the Chief Financial Officer	7 622	7 142	480	6 765	6 520	245
TOTAL	27 145	22 419	4 726	24 439	20 337	4 102

Strategy to overcome areas of under performance

Programme 1 achieved all planned targets for the 2025/26 financial year. As a result, no specific corrective strategies relating to under-performance were required.

The programme will nevertheless continue to strengthen internal controls, improve operational efficiencies, fill critical vacancies, and enhance expenditure planning to sustain performance and support organisational effectiveness.

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

The CPSI does not operate within a sector with concurrent functions that has prescribed standardised outputs and output indicators applicable to its mandate.

Accordingly, no sector-specific standardised outputs or output indicators were required to be incorporated into the Annual Performance Plan or reported on in the Annual Report for the 2025/26 financial year. The CPSI therefore continued to report against institution-specific outputs and performance indicators aligned to its approved strategic objectives, Annual Performance Plan, and mandate relating to the promotion and support of innovation in the public sector.

4.2. Programme 2: Public Sector Innovation

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

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

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

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

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

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

❖ Research initiatives undertaken

Two research initiatives were concluded in the period under review, namely the **Innovation Knowledge Repository** and a **case study of the Eastern Cape e-Recruitment System**.

The **Innovation Knowledge Repository** was strengthened during the financial year through the addition of thirty-five (35) innovation project case studies. This achievement enhanced the Repository as a central platform for capturing, preserving, and sharing institutional innovation knowledge and best practices.

The second research initiative is a **case study of the Eastern Cape e-Recruitment System**. The Eastern Cape Province is the first public sector institution that implemented an in-house provincial e-Recruitment System in 2017. The CPSI documented their innovation journey for learning and knowledge sharing. The case study also seeks to make a case for in-sourcing of ICT systems developers by government. The Eastern Cape Province saved significant amounts of money by using its own system developers. The document further, support the replication, mainstreaming and upscaling of this model.

❖ Development initiatives undertaken

Two development initiatives were concluded in the period under review.

The collaboration between the Northern Cape, Western Cape and CPSI on the development of a **citizens engagement portal** for the Northern Cape delivered, through four sprints, to a functional portal, thus concluding the work earmarked for Phase 1. The next phase will commence in the new financial year, linking the system to existing Thusong Centres and adding additional functionalities in alignment with the MyMzanzi digital transformation roadmap, thus eliminating the need for citizens to travel long distances to visit a physical centre.

e-Recruitment: The refinement and customisation of the Mpumalanga Provincial Government (MPG) e-Recruitment solution (with source code developed by the Eastern Cape) was concluded and user training provided. As part of the co-development, customisation and change management, three MPG departments were hosted for a training and user consultation workshop (Provincial Treasury, Office of The Premier and Department of Public Works). Training was provided by both CPSI officials and Eastern Cape developers and HR staff. A second training workshop was hosted by Mpumalanga in March 2026, where all MPG departments were represented with the CPSI providing training. In addition, the technical team continued working to include 15 new features to the e-Recruitment system. Since its inception in Mpumalanga, the system has already handled over 100 posts that were advertised and published for citizens to respond digitally.

❖ Youth digital skills development initiatives supported

The two annual targets towards youth digital skills development were concluded:

The CPSI collaborated with the Department of Tourism to deliver on a **G20 Hackathon** for tourism students, leveraging AI to explore new opportunities in tourism. In addition to mentoring and providing Design Thinking training, the CPSI matched IT students with the Tourism students to support to develop solutions. The highlight of the initiative was the actual G20 hackathon in September 2025 where the three winning teams presented their solutions to the G20 Tourism Ministers' Meeting.

The CPSI continues its collaboration with the Geekulcha Youth Digital Skills Development Programme, which included supporting a **series of hackathons and developer labs** run during the course of the year in various provinces, reaching far over 1000 students per year. Initiatives over the year included a Kidathon held in the Vhembe district, focussing on learners, an annual cybersecurity hackathon, the GKSS hackathon and the GKSS Leadership Summit.

❖ Innovative solutions replicated in the public sector

During the period under review, the replication of two innovation projects were concluded.

The first project is **Court Watching Brief Tool**. This initiative has improved efficiency in courts, allows for follow up on cases that are struck off the roll, withdrawn, and ensure that reasons for this are addressed with the SAPS. By digitising the manual process enabled digitalised data capturing and the development of an analysis tool. The solution is an automated tool to capture data from court records. This helps to ascertain reasons for cases that are withdrawn or struck off the court roll. The tool ensures quality and accuracy of captured and recorded data regarding cases before it is reported to SAPS.

The App dashboard helps decision-makers to make an informed decision due to an umbrella view of cases. The tool/system uses a QR Code which is only sent to officials so that they can access the Court Watching Brief system. It is also accessible on a mobile device to complete the questionnaire. The captured data is uploaded to a central database, and the system automatically does a high-level analysis of data. This solution was replicated in the Western Cape, Northern Cape, Eastern Cape and Northwest provinces. Officials from these provinces were trained on the

Court Watching Brief. This has eradicated the duplication that used to happen when they were using manual processes.

The second project that was replicated is the **Broselow Emergency Reference Tape Inspired Paediatric Resuscitation Boxes**. This innovation project reduces anxiety during resuscitations of children, shortens the time from start to intubation, reduces time spent looking for essential paediatric equipment and working out treatment dosages and prevents fatalities and morbidity. The solution includes the creation of boxes with a checklist and medication/tools/equipment corresponding to the colour of the Broselow Tape to quick access required medication and resuscitation needs. After use, all content is replaced to ensure that the boxes are ready for the next use. The project was replicated in additional facilities in the Western Cape, twenty (20) City of Tshwane Clinics and 3 hospitals in Gauteng.

❖ **Innovation knowledge platforms sustain and nurture an enabling environment for innovation in the public sector**

The CPSI participated in the **2025 Africa Public Service Day** Celebrations in Addis Ababa, Ethiopia, in June 2025. The CPSI coordinated and exhibited innovation projects from the National Batho Pele and Innovation Awards Programme. The innovation projects showcased are: Tele-ICU, George Hospital, Linkage to Care, Mitchells' Plain Hospital, and the Pharmacy Speedy-Q from Edenvale Hospital. APSD allows for peer learning at continental level.

The **19th Annual Public Sector Innovation Conference 2025** took place on the 28-29 August 2025. The conference is a platform that the CPSI uses to advance and encourage the uptake and practice of innovation in the Public Sector to improve service delivery. The 2025 Conference theme was Citizen-centric Digital Transformation, aimed at emphasising digital transformation as an effective way of facilitating universal access to government services by all citizens anywhere and anytime.

Over 400 delegates attended the conference. Presentations were received from both international and local speakers. Amongst the speakers was the Minister for the Public Service and Administration who delivered a keynote address, The Presidency shared the South Africa's Digital Roadmap while Bangladesh presented its journey of Digital Transformation.

In addition, the **Developers Conference (DevCon)** was held parallel to the main Public Sector Innovation Conference. Public Service ICT specialists shared solutions, engaged on challenges and were mentored and encouraged to co-develop internal solutions for the public service.

CPSI participated in the **GovTech Panel on Regulation & Innovation: Balancing Regulation and Innovation, Managing Data with Global Providers** and was also part of the exhibitors. Participation in GovTech as a platform allows the CPSI to explore and build potential partnerships and review the latest technology solutions.

As part of CPSI's efforts to nurture an enabling environment for innovation in the public sector, a **Design Thinking and Innovation Training** was conducted for Gauteng Province and National Prosecution Authority capacitate them on using modern tools such as systems and design thinking to solve service delivery challenges. During the year design thinking was also offered as part of other initiatives such as hackathons and for Awards finalists as part of the programme.

The CPSI, in partnership with DPSA and in response to a call for proposals, conceptualised and co-hosted a panel discussion on **Innovation as a Catalyst for Service Delivery in Africa** at the 2025 Science Forum South Africa. As part of the conversation, the Deputy Minister and Executive Director (acting) of the CPSI also served as Panellists in the session held on 27 November 2025.

The **National Batho Pele and Innovation Awards 2025** were successfully held in November 2025. The Minister for the Public Service and Administration conferred trophies and certificates to the gold, silver and bronze prize winners. Four categories were specifically for innovation, namely:

- (a) Replication and Adaptation of Innovative Solutions
- (b) Citizen focussed Innovations harnessing non-ICT
- (c) Internal Innovation harnessing non-ICT and ICT
- (d) Innovation harnessing Technology (ICT and other frontier Technology).

In addition, Trailblazers (System Developers) working in the Public Sector were also recognised for their in-house solutions. The Awards programme is the vehicle through which the CPSI unearths innovations for recognition and further support towards replication and scaling. The table below summarises the awardees.

National Batho Pele and Innovation Awards 2025 (Innovation Categories)

A - Replication & Adaptation Innovative Solutions		
Project Readiness Matrix Automation	Gauteng	Gold
Scale remote learning - Pharmacy Assistance to PHC & Ward Based Nurses	KwaZulu-Natal	Silver
Repurposing Service Delivery Points (ekiosks)	Western Cape	Bronze

B - Citizen-focused Innovations harnessing non-ICT		
Dental Services Innovation	Western Cape	Gold
Bag that Builds Education Sustainable Development (ESSD)	Western Cape	Silver
Centre for Children with special needs	Gauteng	Bronze

C – Internal Innovations harnessing Technology ICT or non- ICT solutions		
GDE Multi-Certification Skills Programme	Gauteng	Gold
Vehicle Condition Assessment Tv26/28 App	Western Cape	Silver
Western Cape Matrix Examination Administration	Western Cape	Bronze

D - Innovation Harnessing Technology (ICT and other Frontier Technology)		
Transforming Education through Technology	Limpopo	Gold
MLM eRecruitment	Free State	Silver
MLM Meter Reading Portal	Free State	Bronze
WebAdmin	Western Cape	Bronze
Innovator of the Year 2025		
GDE Multi-Certification Skills Programme		

GEMS Health Award	
Dental Services Innovation	
Scale remote learning: Pharmacy Assistance to PHC & Ward Based Nurses	
Trailblazers	
TS Malebo	Madjhabeng Local Municipality
T Kukuni	Madjhabeng Local Municipality
S Sethole	Department of Basic Education

The CPSI, as a member of the Jury for the **AAPAM Innovative Management Awards (IMA)** Programme, adjudicated submissions entered for the 2025 Edition. The finalists' projects were awarded during an awards ceremony held on 4 December 2025, on the margins of the 2025 Annual AAPAM Roundtable Conference. This programme is of importance to the CPSI as it provides insight into, and unearths innovative solutions developed on the continent.

Over the years the CPSI has been assisting the Republic of Namibia to initiate its own public sector innovation policy and programme. This culminated in the inaugural **Namibia Public Sector Innovation Conference** hosted on 25 and 26 February in Windhoek. Hosted by the Office of the Prime Minister, the CPSI advised on the conceptualisation and content and was invited to participate in the conference and support the logistics of the conference. This opportunity for peer learning and exchange will also strengthen the CPSI's approach.

The CPSI partnered with Regenesys Business School to host a half-day **conference on Citizen-Centric Service Delivery**. The event was conceptualised and organised by CPSI and Regenesys Business School. The CPSI's acting Executive Director delivered a keynote address at the conference. The conference brought together leaders from the public sector, private sector, civil society and academia. Joint initiatives with academic institutions enable the CPSI to stay current in its thinking, approaches, theory and understanding of challenges.

6. Institutions supported on innovation

Two (2) Institutions were supported in this annual target. The first Institution is **Mankweng Hospital** in Limpopo that engaged with the CPSI for support in implementing innovative solutions. One of the solutions required was to optimise blood utilisation within the institution. This is largely due to the behaviour of clinicians regarding blood product, leading to wastage of a very expensive resource. Based on a previously successful implementation of such a project, a knowledge sharing session was held with Mankweng Hospital and Edenvale Hospital where it has been successfully implemented. To date the hospital has put in measures to change the behaviour and reduce the wastage on blood products.

The second institution supported was **Nketoane Municipality** in the Free State to ensure the sustainability and scaling of the Smart Agriculture Boxes Project that was implemented in the municipality. The CPSI in partnership with the District Municipality provided additional training to identified families on Smart Agriculture, contributing to food security.

Programme 2 : Public Sector Innovation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	**Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Culture and practice of innovation entrenched in the public sector	Innovation research and development initiatives undertaken	Number of research initiatives undertaken	2	2	2	Achieved 2	None	N/A
		Number of development initiatives undertaken	2	2	2	Achieved 2	None	N/A
		Number of youth digital skills development initiatives supported	-	-	2	Achieved 2	None	N/A
	Innovative solutions replicated in the public sector	Number of innovative solutions replicated in the public sector	2	2	2	Achieved 2	None	N/A
	Knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	Number of knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	9	9	9	Achieved 10	1	CPSI was invited to participate in the GovTech Panel on Regulation & Innovation: Balancing Regulation and Innovation Managing Data with Global Providers
	Institutions supported on innovation	Number of institutions supported on innovation	-	-	2	Achieved 2	None	N/A

Linking performance with budgets

Programme 2: Public Sector Innovation was allocated a final appropriation of R24,058 million for the 2025/26 financial year. Of this amount, R23,656 million was spent by 31 March 2026, resulting in under-expenditure of R402 thousand (1.67%). In the previous financial year (2024/25), the programme had a final appropriation of R23,500 million, of which R21,413 million was spent, resulting in under-expenditure of R2,087 million (8.88%).

The under-expenditure recorded in 2025/26 was mainly attributable to delays in the implementation and procurement processes relating to the replication of innovation projects, as well as savings realised on stakeholder engagement activities. These savings included lower expenditure on venues, travel and promotional materials due to the increased utilisation of virtual platforms and participation in shared events with partner institutions.

Despite the under-expenditure, the programme achieved all planned performance targets for the reporting period. The programme successfully achieved:

- two research initiatives undertaken against a target of two;
- two development initiatives undertaken against a target of two;
- two youth digital skills development initiatives supported against a target of two;
- two innovative solutions replicated in the public sector against a target of two;
- ten knowledge platforms sustained against a target of nine; and
- two institutions supported on innovation against a target of two.

The overachievement recorded for the knowledge platforms indicator was due to CPSI to participating in the GovTech Panel on *Regulation and Innovation: Balancing Regulation and Innovation and Managing Data with Global Providers*, which contributed to an additional knowledge-sharing platform being sustained during the year.

The programme therefore contributed meaningfully towards CPSI's strategic outcome of entrenching a culture and practice of innovation in the public sector and supported Priority 3 of the Medium-Term Development Plan: Building a Capable, Ethical and Developmental State.

Overall, the budget was utilised effectively to support the achievement of planned outputs, while cost-containment measures and operational efficiencies contributed to improved spending performance during the year.

Sub-programme expenditure

Sub-Programme	2025/26			2024/25		
	Final Budget	Actual Expenditure	Variance	Final Budget	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Research and Development	7 633	7 510	123	7 048	6 464	584
Institutional Support and Replication	6 375	6 194	181	6 788	5 380	1 408
Enabling Environment and Stakeholder Management	10 050	9 952	98	9 664	9 569	95
TOTAL	24 058	23 656	402	23 500	21 413	2 087

Strategy to overcome areas of under performance

There was no under performance in the year under review and thus no additional strategy was put in place.

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

Programme 2 substantially achieved its planned targets during the 2025/26 financial year, with minimal under-expenditure recorded across the sub-programmes. As a result, no significant corrective interventions relating to under-performance were required.

The programme will nevertheless continue to strengthen project planning, stakeholder coordination, and expenditure monitoring to ensure the effective implementation of innovation support initiatives and the optimal utilisation of allocated resources. Continued focus will also be placed on strengthening partnerships, enhancing research and replication support, and improving the sustainability and impact of innovation interventions across the public sector.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

No transfer payments were made by the CPSI to public entities during the 2025/26 financial year.

5.2. Transfer payments to all organisations other than public entities

No transfer payments were made by the CPSI to organisations other than public entities during the 2025/26 financial year.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The CPSI did not disburse any conditional grants or earmarked funds during the 2025/26 financial year.

6.2. Conditional grants and earmarked funds received

The CPSI did not receive any conditional grants or earmarked funds during the 2025/26 financial year.

7. DONOR FUNDS

7.1. Donor Funds Received

During the 2025/26 financial year, the CPSI did not receive any donor funding in the form of cash or earmarked contributions from international or local development partners. Accordingly, no projects were funded, implemented, or monitored under a donor assistance framework during the reporting period.

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

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The CPSI does not maintain or manage large-scale infrastructure assets or infrastructure construction projects as part of its core mandate. Capital investment during the 2025/26 financial year was therefore limited primarily to information and communication technology (ICT) equipment, software, and office-related assets aimed at supporting operational efficiency and internal digitisation initiatives.

During the reporting period, the CPSI continued to strengthen its internal asset management practices through regular asset verification processes, monthly reconciliations, and the maintenance of an up-to-date asset register in accordance with applicable asset management prescripts and the Modified Cash Standard.

No major infrastructure projects, rehabilitation projects, or refurbishment projects were undertaken during the financial year. Similarly, no facilities were closed down or downgraded during the reporting period.

The CPSI continued to experience challenges relating to office accommodation following the identification of occupational health and safety concerns at its existing premises. In consultation with the Department of Public Service and Administration (DPSA) and the Department of Public Works and Infrastructure (DPWI), temporary relocation measures remained in place while alternative accommodation options continued to be explored.

The department's movable assets remained generally in good condition during the reporting period. No significant losses due to theft were reported, and disposals and write-offs were managed in accordance with approved asset management processes and applicable prescripts.

Infrastructure projects	2025/2026			2024/2025		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
- Upgrades and additions	-	-	-	-	-	-
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
Total	-	-	-	-	-	-

PART C: GOVERNANCE

1. INTRODUCTION

Good governance remains central to the CPSI's mandate and supports the effective, efficient, and economical utilisation of public resources in advancing public sector innovation. The CPSI remains accountable to the public and is committed to maintaining high standards of transparency, ethical leadership, accountability, and compliance with the Public Finance Management Act (PFMA), Treasury Regulations, and other applicable prescripts.

During the 2025/26 financial year, the CPSI continued to strengthen governance oversight through its Executive Committee (EXCO), governance structures, and assurance mechanisms in support of sound decision-making, effective risk management, and robust internal controls. These governance arrangements contribute towards ensuring that the CPSI's innovation initiatives are appropriately governed, risk-informed, and capable of delivering sustainable public value.

2. RISK MANAGEMENT

The CPSI maintained an approved Risk Management Policy, Strategy, Framework, and Implementation Plan during the 2025/26 financial year to guide enterprise risk management and ensure alignment with the PFMA, Treasury Regulations, and other applicable public sector governance frameworks. Risk management remained integrated within strategic planning, operational execution, and organisational performance monitoring processes.

During the reporting period, the CPSI conducted strategic, operational, fraud, and ICT risk assessments to identify, assess, and monitor risks that could impact the achievement of organisational objectives. These assessments were supported by continuous environmental scanning, quarterly reporting processes, and active engagement with management and Risk Champions. The Risk Appetite and Tolerance Framework continued to support decision-making by defining acceptable levels of risk exposure and guiding the prioritisation of mitigation measures.

The Enterprise Risk Management Committee (EXCO) provided ongoing oversight through the review of risk registers, monitoring of mitigation actions, and consideration of emerging and significant risks. In addition, the Audit and Risk Committee provided independent oversight and assurance on the effectiveness of risk management, governance, and internal control processes, while recommending improvements where necessary.

During the 2025/26 financial year, the CPSI further strengthened its risk management maturity through enhanced monitoring, reporting, and governance practices, as well as the continued implementation of the Combined Assurance Plan. This contributed towards improved coordination among assurance providers and strengthened the overall control environment. Internal risk management accountability and awareness were also reinforced through ongoing Risk Champion engagements and awareness initiatives.

Although notable progress has been made in embedding risk management practices and strengthening oversight, the CPSI will continue to focus on improving the integration between risk management and organisational performance, enhancing monitoring tools, and proactively managing emerging risks to further strengthen institutional effectiveness and resilience.

3. FRAUD AND CORRUPTION

The CPSI remained committed to promoting a strong culture of integrity, ethical conduct, and zero tolerance for fraud and corruption during the 2025/26 financial year. This commitment is supported through an approved Fraud Prevention Plan, which forms part of the broader Enterprise Risk Management framework and is aligned with the Public Sector Risk Management Framework and applicable legislation, including the Prevention and Combating of Corrupt Activities Act and the Protected Disclosures Act.

The Fraud Prevention Plan comprises the Fraud and Corruption Policy, Fraud Prevention Strategy, and fraud risk management processes embedded within the organisation's enterprise risk management practices. These governance instruments guide the CPSI's approach to identifying, assessing, mitigating, and monitoring fraud and corruption risks across the organisation.

During the reporting period, the CPSI continued to strengthen organisational awareness and capacity through fraud and corruption awareness training conducted for all officials. The training focused on ethical conduct, fraud risk awareness, early warning indicators, and the responsibilities of employees in preventing and reporting unethical behaviour.

The CPSI maintains multiple secure and confidential reporting mechanisms to facilitate the reporting of suspected fraud and corruption. These include internal reporting through the Risk Management Unit, anonymous reporting through the Public Service Commission's National Anti-Corruption Hotline, and escalation to the Executive Director or Audit and Risk Committee, where appropriate. These reporting channels are intended to protect whistleblowers and promote transparency without fear of victimisation.

All reported allegations are treated seriously and assessed for appropriate action, which may include internal disciplinary processes, referral for forensic or external investigation, or escalation to relevant law enforcement and oversight bodies, depending on the nature and severity of the matter.

The CPSI continued to enforce a zero-tolerance approach to fraud and corruption during the 2025/26 financial year. While no confirmed cases of fraud or corruption were reported during the period under review, the organisation maintained robust preventative and detection controls to ensure readiness to respond effectively to any incidents, thereby strengthening accountability, governance, and public trust.

4. MINIMISING CONFLICT OF INTEREST

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

The DPSA provided e-Disclosure system is used to facilitate the mandatory annual submission of financial interest declarations by all members of the Senior Management Service (SMS) and other designated officials. For the 2025/26 financial year, 100% compliance was achieved, with all SMS members submitting their disclosures by the end of April 2025, and all other designated officials by the end of July 2025 deadline. The system is centrally monitored to identify areas of concern that would trigger further interventions such as lifestyle audits. It also allows for uploading approvals for remunerative work outside the public service. No cases of undeclared interests or lifestyle irregularities were detected during the review period and no remunerative work conducted, and therefore, no lifestyle audits were considered necessary.

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

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

All gifts, donations or sponsorships are required to be declared as required by the Gift, Donation and Sponsorship Policy. These are then included in Annexure 1B of the Financial Statements.

5. CODE OF CONDUCT

The CPSI adheres to the Public Service Code of Conduct as prescribed in Chapter 2 of the Public Service Regulations, 2023. The Code of Conduct serves as a guide to employees on the expected standards of ethical behaviour, professionalism, integrity, accountability, impartiality, and responsible conduct in the execution of their duties.

The Code of Conduct is accessible to all employees and forms part of the employee onboarding and induction process. All employees are required to sign the Code of Conduct upon assumption of duty to confirm their understanding of and commitment to ethical conduct and compliance with public service prescripts. In addition, awareness and ethics-related sessions were conducted during the reporting period to strengthen ethical awareness and embed an ethical culture across the organisation.

The CPSI promotes ethical conduct through ongoing communication, management support, conflict-of-interest management processes, financial disclosure processes, and employee awareness initiatives. Employees are encouraged to uphold the principles of transparency, fairness, professionalism, and accountability in all official activities. The declarations of interest (for bid committees, recruitment, etc.), through specific questions and declarations, further instils the principles of ethical conduct.

Where a breach or alleged breach of the Code of Conduct is identified, the matter is dealt with in accordance with the applicable disciplinary prescripts and the relevant Public Service Co-ordinating Bargaining Council (PSCBC) Resolutions, including PSCBC Resolution 14 of 2002 and Resolution 1 of 2003. Depending on the nature and seriousness of the misconduct, matters may be addressed through counselling, corrective action, formal disciplinary processes, or disciplinary hearings. All matters are handled fairly, consistently, and in accordance with due process.

Through these measures, the CPSI continues to promote ethical behaviour, professionalism, accountability, and public confidence in the organisation.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

As a sub-tenant within the DPSA building, the CPSI participates in all health, safety, and environmental (HSE) initiatives coordinated by the DPSA. This includes participation in Occupational Health and Safety (OHS) structures, emergency preparedness activities, and workplace safety awareness initiatives aimed at promoting a safe and healthy working environment for employees and visitors.

During the reporting period, employees participated in planned emergency drills and safety awareness activities, including fire evacuation exercises and emergency response procedures. These initiatives contributed to improving employee preparedness and strengthening workplace safety awareness across the organisation.

The CPSI continued to experience health and safety challenges associated with the deteriorating condition of the current DPSA building, including water leaks, ceiling damage, and related infrastructure concerns. These conditions posed potential health and safety risks to employees and had an impact on the working environment during the reporting period. In response, the CPSI vacated part of the office accommodation to allow for urgent repairs of water leakage and damaged ceilings, whilst engaging with the DPSA and the Department of Public Works and Infrastructure regarding the relocation process, while interim mitigation measures, such as flexible and hybrid working arrangements and internal risk reporting mechanisms were implemented to safeguard employee wellbeing.

Although environmental matters are managed within the shared tenancy arrangement, the CPSI continues to promote environmentally responsible practices through reduced paper usage, digital workflows, and responsible utilisation of shared resources and equipment. These measures support compliance with applicable health and safety requirements and contribute towards maintaining a safe, responsible, and sustainable working environment.

7. PORTFOLIO COMMITTEES

During the financial year under review, the CPSI was invited to the Portfolio Committee on Public Service and Administration. The engagements are indicated below:

Date of the meeting	Matters raised by the Portfolio Committee	How the matters were addressed
23 April 2025	Briefing by the Centre for Public Service Innovation on the Strategic Plan 2025/2030 and Annual Performance Plan for 2025/2026 financial year (with the other portfolio institutions)	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.
14 May 2025	Centre for Public Service Innovation in showcasing digital innovative interventions/solutions to assist government in standardising digital human resource management processes in the public service	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.
18 June 2025	Briefing by the Centre for Public Service Innovation on the Strategic Plan 2025/2030 and Annual Performance Plans for 2025/2026 financial year	The CPSI gave assurance and confirmation to the Committee that the Strategic Plan did not change after the tabling of the Budget speech by the Minister Finance
08 October 2025	Briefing by the Department of Public Service & Administration and Centre for Public Service Innovation on the annual reports for 2024/25 financial year.	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.

Date of the meeting	Matters raised by the Portfolio Committee	How the matters were addressed
	Progress report on the implementation of the recommendations contained in the budget reports 2025/26 financial year	The CPSI provided a progress report on the implementation of the recommendations contained in the budget reports 2025/26 financial year
15 October 2025	Portfolio Committee Oversight visit to KZN province	CPSI officials were invited to accompany the Portfolio Committee on an Oversight visit in KZN province
11 March 2026	Briefing by the Centre for Public Service Innovation on the first to third quarter performance of 2025-2026 financial year	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.

8. SCOPA RESOLUTIONS

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

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The CPSI maintained an unqualified audit opinion with no material findings during the 2024/25 financial year. No qualification, disclaimer, or adverse audit opinion was issued by the Auditor-General of South Africa (AGSA).

In addition, no material findings relating to compliance with legislation, performance information, or internal control deficiencies were reported in the audit report.

During the audit process, certain minor matters and audit queries were communicated to management through the management report and were addressed and resolved before finalisation of the audit. These included matters relating to audit information requests and the verification of reported performance information.

The CPSI nevertheless continued to strengthen oversight, record management, internal controls, performance reporting processes, and governance practices to sustain its clean audit outcome and promote continuous improvement in financial and performance management.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Limitation of scope relating to audit information requests (RFI 1, 3, 7, 8 and 9)	2024/25	The requested information and supporting documentation were subsequently provided to the AGSA during the audit process, and the matter was resolved prior to finalisation of the audit. Internal coordination and document management processes were strengthened to improve the timely submission of audit evidence.
Limitation of scope relating to RFI 10	2024/25	The matter was resolved during the audit process following submission and verification of the required supporting information. Management continued to strengthen internal review and record management controls.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Limitation of scope relating to RFI 15	2024/25	The matter was resolved prior to the conclusion of the audit through submission of the required supporting documentation and enhanced engagement with the audit team.
Discrepancy in reported outputs for the Knowledge Platforms indicator under Programme 2	2024/25	The discrepancy was resolved during the audit process through verification and correction of supporting performance information. Additional review and verification controls over performance reporting were reinforced.

10. INTERNAL CONTROL UNIT

During the 2025/26 financial year, the CPSI's internal control unit continued to play a critical role in strengthening the organisation's governance framework. Despite CPSI's relatively small size, a robust internal control system has been successfully maintained, integrating key policies and procedures across core operational areas, including financial management, supply chain management, and human resources. This system supports organisational integrity and ensures compliance with relevant legislative and regulatory requirements.

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

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

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

11. INTERNAL AUDIT

Purpose and mandate: The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU.

Vision and strategy: The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU.

Charter, methodology and internal audit plans: The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU. Through the Internal Audit services provided, a three-year rolling plan 2025-2028 and a one-year operational plan 2025/26 were developed and approved by the shared Audit and Risk Committee.

Independence and objectivity: The Internal Audit services provided by the DPSA have maintained its independence and objectivity throughout the financial year.

Internal audit modality: Through the services provided by the DPSA, the Internal Audit modelled its services to a variety of auditable areas, which include:

- Financial audits that focus on the accuracy and reliability of the organisation's financial records and reports;
- Operational audits that assess the efficiency and effectiveness of the organisation's operational processes, systems, and controls;
- Compliance audits that evaluate the organisation's adherence to applicable laws, regulations, policies, and internal procedures;
- Information and Communication Technology (ICT) audits that focus on the security, reliability, and effectiveness of the organisation's information technology systems;
- Performance audits that assess the effectiveness and efficiency of specific programmes or projects within the organisation;
- Risk audits that assess the risks associated with various aspects of the organisation's operations, and
- Specialised audits that are tailored to specific areas or needs as and when required.

Staffing: The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the DPSA through an MOU.

Quality assurance and improvement program: The CPSI has not established an Internal Audit Function; however, it relies on the services provided by the Department of Public Service and Administration through the signed MOU.

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

Financial information:

- Annual Financial Statements 2024/25
- Second-quarter Interim Financial Statements 2025/26

Performance information:

- Annual Performance Information and Draft Annual Report 2024/25
- Fourth quarter 2024/2025 performance information review
- Second-quarter 2025/2026 performance information review
- 2026/27 Draft Annual Performance Plan review.

Operational information:

- Internal Financial Controls (Subsistence and Travel)
- Follow-up review of 2024/25 Internal Audit findings

No **Ad hoc projects** were requested by management during the financial year.

Internal audit recommendations: Internal audit has made recommendations through its reports, which were agreed upon and implemented by management.

Value add: The Internal Audit service was able to add value in critical areas of the organisation, such as financials, operations and performance.

No limitation of scope was experienced by the Internal Audit service.

	Number of findings	Total Addressed	Not Yet Due	Total Not Addressed	No. of recurring findings Last 3 Financial Years
IAF Findings	14	5	-	9	-
AGSA Findings	4	4	-	-	-

12. AUDIT COMMITTEE

Purpose: The purpose of the Audit & Risk Committee is to assist Management in fulfilling its oversight responsibilities for the financial reporting and performance management processes, the system of internal control and risk management, the audit process, and the Government Components' process for monitoring compliance with laws and regulations and the code of conduct.

Mandate: The Audit and Risk Committee (ARC) derives its mandate from the Public Finance Management Act (1999) (PFMA), section 38(1)(a)(ii) which requires the Accounting Officer to establish a system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations prescribed in terms of sections 76 and 77.

Independence: The ARC is independent from both management and the public service.

Protecting the independence of the internal audit function: The ARC has, throughout the year, protected the independence of internal audit services and ensured that there is accountability regarding the MOU for the provision of such services by DPSA.

Performance against statutory duties: The Audit and Risk Committee (ARC) has discharged its responsibilities under the Public Finance Management Act and the Treasury Regulations. The ARC adopted formal Terms of Reference as its Charter to regulate and govern its operations. The ARC held five (5) meetings (including ordinary and special) meetings during the 2025/26 financial year. The table below discloses relevant information on the audit committee members and the attendance of meetings by each member.

Composition of the audit committee: The Audit and Risk Committee is comprised of four member (including the Chairperson) who are all independent from the Public Service. Two positions of the committee became vacant at the end of October 2025 due to contracts ending.

Meeting attendance: The table below demonstrates the number of meetings attended by each member.

Combined assurance: The Audit and Risk Committee has played an oversight in ensuring that management develops a Combined Assurance Framework. The committee provides assurance as one of the assurance providers and plays an oversight on other identified assurance providers in the framework.

Resolution of audit committee recommendations: The Audit and Risk Committee has made several recommendations to management through its quarterly meetings; such recommendations were agreed upon and implemented by management.

Audit Committee Composition and Attendance of audit committee meetings by audit committee members

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

Name (Full name and Surname, including professional title)	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2025/26		Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date	Ordinary meetings	Special Meetings				
Dr Pritish Dala (Chairperson)	PHD (IT), MIT, BSc Computer Science (Hons), BIT, CD(SA), ISAP(SA), ISMP(SA), CISA, CGEIT, CRISC, CDPSE, CISM, COBIT, CISSP, CEH, CHFI, ACCISO, LA27001	ISACA, ISC2, IODSA, EC COUNCIL	01 October 2019	31 October 2025	3	2	Yes	No	10	8
Mr Ameen Amod	MBA; BCom; Certified Internal Auditor (CIA-IIA); Certified Government Audit Professional (CGAP-IIA); Certified Risk Management Assurance (CRMA); Certified Director - IODSA	SAICA; IIA; IRMSA; IODSA	01 October 2019	31 October 2025	3	2	Yes	No	3	2
Ms Sizo Mzizi	Certified Director ACG, Post graduate diploma in corporate law, UJ Post graduate certificate in corporate governance, UJ ACMA CGMA,	CIMA CGISA IODSA	01 March 2022	28 Feb 2028	2	2	Yes	No	3	1

Name (Full name and Surname, including professional title)	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2025/26		Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date	Ordinary meetings	Special Meetings				
	BCom Honours Financial Management, UJ BTech: Cost and Management Accounting, Technikon Natal Higher diploma in education, UKZN									
Ms Nyawa Dikwayo	CA (SA) Master of Philosophy in Development Finance Postgraduate Diploma in Applied Accounting Sciences Bachelor of Commerce Accounting	SAICA	1 March 2022	22 March 2028	3	2	Yes	No	4	3

- **Remuneration of audit committee members**
 - **Rates:** R 3 491,00
 - **Whether audit committee members who worked or are working for an organ of state are being remunerated.**
 - None of the audit committee members worked for any organ of state.
 - **Total audit committee expenditure for the reporting period**
 - R 459 498,86

13. AUDIT COMMITTEE REPORT

The Audit and Risk Committee (ARC) has the pleasure of presenting its report for the financial year ended 31 March 2026, outlined in the following three sections:

Part 1: 2025/26 Audit and Risk Committee Reflections

The ARC is established as a statutory advisory committee in terms of sections 38 (1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act 1 of 1999 (PFMA) as well as Treasury Regulation 3.1.1 to 3.1.16. The purpose of the ARC, in accordance with Treasury Regulations 3.1.10 and 3.1.11, is to provide independent oversight over financial and non-financial matters, including performance information, information and communication technology, risk management, human resource management, legal and compliance matters, governance, internal controls, accounting, and audit matters. The ARC also provides oversight of compliance with applicable legislation and regulatory requirements, investigation matters, and the activities of the internal and external auditors. Our values as an ARC are founded on the principles of strategic ethical leadership and focus with a strong emphasis on independence, objectivity, transparency, performance and an unwavering commitment to fostering a culture of accountability.

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

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

The ARC fully understands and has embedded the requirements of the GIAS by overseeing the revision of the ARC Charter and Internal Audit Charter. Furthermore, the ARC ensured that the CAE initiated a process to achieve full compliance with the GIAS, which included reviewing the Internal Audit Methodology and developing the Internal Audit Strategy.

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

Part 2: Audit Committee Composition and Meeting Attendance

The ARC consists of 4 independent members, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. During October 2025 two

members' contracts came to an end and their positions advertised. The committee convened 5 times during the year with 3 being ordinary meetings and 2 special meetings.

Member name	Term status	Meetings attended (of 5)
Dr Prittish Dala (Chairperson)	Ended Oct 2025]	5 / 5
Mr Ameen Amod	Ended Oct 2025]	5 / 5
Ms Sizo Mzizi	Full year	4 / 5
Ms Nyawa Dikwayo	Full year	5 / 5

Part 3: Audit and Risk Committee Focus Areas

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

Effectiveness of the Internal Control Systems

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

Effectiveness of the Internal Audit Function

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

- 2024/25 Annual Financial Statements Review;
- 2025/26 Second Quarter Interim Financial Statements Review;
- 2024/25 Fourth Quarter Performance Information Review;
- 2024/25 Annual Performance Information Review;
- 2025/26 Second Quarter Performance Information Review;
- Strategic Plan and 2026/27 Annual Performance Plan Review;
- Subsistence and Travelling Allowance Review;
- Information Communication Technology Review; and
- Supply Chain Management Review.

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

The ARC executed its oversight responsibilities in relation to the enterprise risk management mandate, which included risk management, anti-corruption and fraud, ethics, combined assurance, compliance management, and business continuity management. The ARC is satisfied with the continued improvement in the maturity of the risk management processes evidenced by the increased implementation of the risk mitigation actions by the respective risk owners as well as anti-corruption and fraud, ethics and compliance management. The policies associated with all aspects included in the risk management mandate are in place with improvement required to ensure effective implementation of combined assurance and business continuity management.

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

CPSI has reported quarterly to the National Treasury and the Executive Authority as is required by the PFMA. The ARC, as well as assurance providers provided Management with recommendations to improve the quality of quarterly, and where applicable, annual financial and non-financial reporting (performance information, information communication technology, risk management, human resource management, legal and compliance) during the year under review.

Evaluation of the Annual Financial Statements and Annual Report

In terms of the evaluation of the annual financial statements and annual report the ARC has reviewed the:

- Unaudited annual financial statements, with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Changes in accounting policies and practices where applicable;
- Compliance with legal and regulatory provisions;
- Basis for the going concern assumption, including any financial sustainability risks and issues;
- Unaudited annual performance information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- AGSA audit and management reports, considering Management's responses; and
- Audited annual financial statements as well as the annual performance information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the external audit process and reported to the Accounting Officer.

External Audit

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

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

AGSA Report

The ARC concurs with the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

Conclusion

The ARC would like to express our appreciation to the Executive Authority and Accounting Officer for their leadership and support as well as all other assurance providers and most importantly commend the

CPSI and its staff for achieving a ninth consecutive “clean” audit opinion (unqualified, with no material findings).

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Ms Nyawa Dikwayo CA(SA)
Chairperson of the Audit Committee (Acting)
CPSI
Date: 26 August 2026

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

The CPSI applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	Not applicable to the CPSI, as the organisation does not issue licences, concessions, or similar authorisations.
Developing and implementing a preferential procurement policy	Yes	The CPSI's Supply Chain Management Policy incorporates preferential procurement measures aligned with the Preferential Procurement Policy Framework Act (PPPFA), Preferential Procurement Regulations, and the B-BBEE Codes of Good Practice. Supplier evaluation processes include consideration of B-BBEE contribution levels where applicable.
Determining qualification criteria for the sale of state-owned enterprises	No	Not applicable to the CPSI, as the organisation is not involved in the sale or disposal of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector	No	Not applicable to the CPSI. The organisation does not engage in revenue-generating public-private partnerships or investment-based partnership arrangements.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment	No	Not applicable to the CPSI, as the organisation does not administer grants, incentives, or investment schemes.

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this Part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments and government components in the public service.

This section provides information on the human resource management practices and performance of the CPSI during the 2025/26 financial year. It outlines the organisation's human resource priorities, workforce profile, employment and vacancy trends, employee wellness initiatives, labour relations matters, skills development interventions, and employment equity performance.

During the reporting period, the CPSI continued to focus on maintaining a stable and productive work environment while supporting organisational performance through sound human resource management practices. Efforts continued towards strengthening employee wellbeing, improving internal capacity, supporting digital transformation initiatives, and ensuring compliance with applicable human resource prescripts and public service regulations.

The CPSI remains committed to building a capable, ethical, and developmental organisation that supports innovation within the public sector while promoting accountability, fairness, and employee development.

2. OVERVIEW OF HUMAN RESOURCES

During the 2025/26 financial year, the CPSI continued to maintain a stable human resource environment despite operational and resource constraints. The organisation remained focused on ensuring that its human resources are aligned to the strategic mandate of promoting innovation within the public sector while maintaining sound governance and administrative support functions.

Human resource priorities during the year under review included strengthening organisational capacity, supporting employee wellness, enhancing digital capabilities, and improving internal administrative efficiencies. Progress was made in advancing internal digitisation initiatives, including the implementation of the eLeave Platform, and support towards the development of the CPSI Knowledge Repository. During the reporting period, the CPSI also implemented the Online Recruitment Platform, which is expected to strengthen and streamline future recruitment processes. These initiatives contributed towards improved operational efficiency and service delivery support within the organisation.

The CPSI continued to implement workforce planning measures aimed at attracting, developing, and retaining a skilled and capable workforce within available budgetary constraints. Recruitment processes were aligned to approved organisational requirements and applicable public service prescripts and staff participated in the training on the eRecruitment platform to ensure continued compliance with prescripts.

Employee performance management remained an important component of organisational accountability and performance delivery. Performance agreements and assessments were managed in accordance with applicable policies and prescripts to support individual accountability and organisational performance objectives. Employee wellness remained a priority during the reporting period. The CPSI continued to implement employee wellness initiatives aimed at promoting employee health, wellbeing, productivity, and organisational resilience. These initiatives included employee support and awareness interventions intended to maintain a healthy and supportive working environment.

Key achievements during the year included the continued maintenance of a stable workforce environment, implementation of digital human resource support systems, and the sustaining of a clean

audit outcome through effective organisational support and governance practices. Challenges experienced during the reporting period included capacity constraints arising from vacant posts and delays in certain digitisation initiatives following the conclusion of externally funded internship contracts.

Going forward, the CPSI will continue to focus on strengthening organisational capacity, improving workforce planning, enhancing employee development and wellness initiatives, strengthening capacity to drive digital transformation, and maintaining sound human resource management practices aligned to the organisation's strategic objectives.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The Human Resources information contained in this section has been prepared in accordance with the requirements prescribed by the Minister for the Public Service and Administration and applicable reporting guidelines for departments and public entities. The information reflects the human resource status of the CPSI for the 2025/26 financial year and is aligned to the audited Annual Financial Statements for the year ended 31 March 2026.

The CPSI continued to maintain a stable workforce during the reporting period, despite organisational constraints associated with a small establishment structure and critical vacancies. The organisation remained committed to attracting, developing and retaining skilled employees to support the achievement of its mandate of promoting innovation in the public sector.

Compensation of employees' expenditure amounted to R27.994 million for the 2025/26 financial year compared to R25.332 million in the previous financial year, representing an increase mainly attributable to cost-of-living adjustments, notch progressions and the filling of certain vacant positions during the reporting period.

The approved establishment consisted of 37 funded posts as at 31 March 2026, of which 34 posts were filled, resulting in an overall vacancy rate of approximately 8 per cent. The vacancy rate was mainly attributable to the Executive Director post and selected operational vacancies which were in the process of being filled during the reporting period.

The CPSI continued to implement human resource strategies aimed at strengthening organisational capability through:

- targeted recruitment and selection processes,
- implementation of the Workplace Skills Plan,
- employee wellness and health promotion initiatives,
- performance management and development processes; and
- employment equity and transformation measures.

Training and development remained a key organisational priority during the year under review. Training interventions focused on professional development, technical skills enhancement, governance-related training, cybersecurity awareness and workplace skills development aligned to operational requirements and the approved Workplace Skills Plan. The investment in staff through the bursary scheme is now demonstrating results with improved competency, achievement of higher NQF levels and upskilling.

The organisation continued to support employee wellness through the Employee Health and Wellness Programme implemented with the support of the Department of Public Service and Administration

(DPSA). Wellness initiatives included counselling services, psychosocial support, health awareness programmes and employee support interventions.

Labour relations within the organisation remained stable during the reporting period, with no collective agreements concluded and no significant labour disputes reported. The CPSI maintained ongoing engagement with employees to promote organisational stability and sound labour relations, including through quarterly departmental bargaining chamber meetings.

The CPSI further maintained its commitment to employment equity and diversity. As at 31 March 2026, the workforce profile continued to reflect strong representation of African employees and women across occupational categories, including management levels.

Future human resource priorities will continue to focus on:

- filling critical vacant posts;
- strengthening organisational capacity;
- improving succession planning and retention strategies;
- enhancing employee wellness initiatives;
- supporting digital and innovation-related capability development; and
- maintaining compliance with applicable public service prescripts and governance requirements.

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2025 and 31 March 2026

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
	R'000	R'000	R'000	R'000		R'000
Programme 1: Administration	22 419	12 748	226	932	57%	607
Programme 2: Public Sector Innovation	23 656	15 246	66	1 105	64%	953
Total	46 075	27 994	292	2 037	61%	778

Table 3.1.2 Personnel costs by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
	R'000			R'000
Lower skilled (Levels 1-2)	592	2%	3	197
Skilled (level 3-5)	1 242	4%	3	414
Highly skilled production (levels 6-8)	4 588	16%	10	459
Highly skilled supervision (levels 9-12)	13 006	46%	15	867
Senior and Top management (levels 13-16)	8 566	31%	5	1 713
Total	27 994	100%	36	778

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2025 and 31 March 2026

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	10 880	85,35%	55	0,43%	270	2,12%	743	5,83%
Programme 2: Public Sector Innovation	13 568	88,99%	7	0,05%	198	1,30%	389	2,55%
Total	24 448	87,33%	62	0,22%	468	1,67%	1 132	4,04%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	363	61,32%	6	1,01%	47	7,94%	126	21,28%
Skilled (level 3-5)	849	68,36%	0	0,00%	70	5,64%	220	17,71%
Highly skilled production (levels 6-8)	3 580	78,03%	30	0,65%	182	3,97%	417	9,09%
Highly skilled supervision (levels 9-12)	11 935	91,77%	26	0,20%	90	0,69%	274	2,11%
Senior management (level 13-16)	7 721	90,14%	0	0,00%	79	0,92%	95	1,11%
Total	24 448	87,33%	62	0,22%	468	1,67%	1 132	4,04%

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2026

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	22	19	13.6%	2
Programme 2: Public Sector Innovation	15	15	0%	-
Total	37	34	8.1%	2

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2026

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1–2)	2	2	0%	1
Skilled (3–5)	3	3	0%	–
Highly skilled production (6–8)	11	9	18%	1
Highly skilled supervision (9–12)	15	15	0%	–
Senior management (13–16)	6	5	17%	–
Total	37	34	8%	2

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2026

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
No critical occupations were identified during the reporting period.	–	–	–	–
Total	–	–	–	–

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	–	0%	1	100%
Salary Level 16	–	–	–	–	0%
Salary Level 15	–	–	–	–	0%
Salary Level 14	3	3	100%	–	0%
Salary Level 13	2	2	100%	–	0%
Total	6	5	83%	1	17%

Table 3.3.2 SMS post information as on 30 September 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	–	0%	1	100%
Salary Level 16	–	–	–	–	0%
Salary Level 15	–	–	–	–	0%
Salary Level 14	3	3	100%	–	0%
Salary Level 13	2	2	100%	–	0%
Total	6	5	83%	1	17%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2025 and 31 March 2026

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2025 and 31 March 2026

Reasons for vacancies not advertised within six months
The Executive Director post remained vacant during the reporting period. The recruitment process commenced but could not be concluded before the end of the reporting period.
Reasons for vacancies not filled within twelve months
The recruitment and selection process for the Executive Director post was still underway at the reporting date. As the recruitment process had not yet been finalised, the post was not filled within the prescribed timeframe.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2025 and 31 March 2026

Disciplinary steps taken for not complying with the prescribed timeframes
No disciplinary steps were taken during the reporting period in respect of the delay in filling the Executive Director post. The recruitment process was subject to the necessary approvals by the Executive Authority and Cabinet and was underway at the reporting date.

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2025 and 31 March 2026

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	2	-	-	-	-	-	-
Skilled (Levels 3-5)	3	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	11	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	15	-	-	-	-	-	-
Senior Management Service Band A	2	-	-	-	-	-	-
Senior Management Service Band B	3	-	-	-	-	-	-
Senior Management Service Band C	1	-	-	-	-	-	-
Senior Management Service Band D		-	-	-	-	-	-
Total	37	-	-	-	-	-	-

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2025 and 31 March 2026

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability					-

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2025 and 31 March 2026

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Highly skilled production (Levels 6-8)	1	6	7	Accelerated pay progression
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				100%

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2025 and 31 March 2026

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

Employees with a disability	-	-	-	-	-
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3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Number of employees at beginning of period – 1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1–2)	2	-	-	0%
Skilled (Levels 3–5)	3	-	-	0%
Highly skilled production (Levels 6–8)	9	1	-	0%
Highly skilled supervision (Levels 9–12)	15	2	1	7%
Senior Management Service Bands A	2	-	-	0%
Senior Management Service Bands B	3	-	-	0%
Senior Management Service Bands C	0	-	1	0%
Senior Management Service Bands D	0	-	-	0%
Contracts	2	-	-	0%
Total	34	3	2	3%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2025 and 31 March 2026

Critical occupation	Number of employees at beginning of period-April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
No Annual turnover per critical occupation	-	-	-	-

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2025 and 31 March 2026

Termination Type	Number	% of Total Resignations
Death	-	
Resignation	1	50.0%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	1	50.0%
Transfer to other Public Service Departments	-	-
Other	-	-
Total	2	100%
Total number of employees who left as a % of total employment		8.8%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2025 and 31 March 2026

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	-	-	-	-	-

Table 3.5.5 Promotions by salary band for the period 1 April 2025 and 31 March 2026

Salary Band	Employees 1 April 2025	Promotions to another salary level	Salary band promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary band
Lower skilled (Levels 1–2)	-	-	-	-	-
Skilled (Levels 3–5)	-	-	-	-	-
Highly skilled production (Levels 6–8)	-	-	-	-	-
Highly skilled supervision (Levels 9–12)	-	-	-	-	-
Senior Management (Levels 13–16)	-	-	-	-	-
Total	-	-	-	-	-

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	-	-	1	2	-	-	1	5
Professionals	5	-	-	-	6	-	-	-	11
Technicians and associate professionals	2	-	-	-	2	-	-	-	4

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Clerks	2	-	-	-	6	-	-	1	9
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	2	-	-	-	3	-	-	-	5
Total	12	-	-	1	19	-	-	2	34
Employees with disabilities	2	-	-	-	-	-	-	-	2

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	1	1	-	-	1	4
Senior Management	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management	5	-	-	-	6	-	-	-	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	-	-	-	2	-	-	-	4
Semi-skilled and discretionary decision making	2	-	-	-	6	-	-	1	9
Unskilled and defined decision making	2	-	-	-	3	-	-	-	5
Total	12	-	-	1	19	-	-	2	34

Table 3.6.3 Recruitment for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	-	-	1	-	-	-	2

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	-	-	-	-	1	-	-	-	1
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	2	-	-	-	3
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2025 to 31 March 2026

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

Table 3.6.5 Terminations for the period 1 April 2025 to 31 March 2026

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

Table 3.6.6 Disciplinary action for the period 1 April 2025 to 31 March 2026

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None	-	-	-	-	-	-	-	-	-

Table 3.6.7 Skills development for the period 1 April 2025 to 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	-	-	-	-	-	-	-	-	-
Professionals	-	-	-	-	-	-	-	-	-
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks	-	-	-	-	-	-	-	-	-
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Employees with disabilities	-	-	-	-	-	-	-	-	-

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2025

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	-	-	-	-
Salary Level 14	3	3	3	100%
Salary Level 13	2	2	5	100%
Total	6	5	5	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2026

Reasons
Not applicable. All SMS members in active service concluded and signed performance agreements within the prescribed timeframe. The Executive Director post was vacant at the reporting date.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2026

Reasons
No disciplinary steps were taken during the reporting period, as all SMS members in active service concluded and signed performance agreements within the prescribed timeframe.

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2025 to 31 March 2026

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

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2025 to 31 March 2026

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

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2025 to 31 March 2026

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2025 to 31 March 2026

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

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2025 and 31 March 2026

Salary band	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (Lev. 6-8)	-	-	-	-	-	-
Highly skilled supervision (Lev. 9-12)	-	-	-	-	-	-
Contract (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2025 and 31 March 2026

Major occupation	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
None	-	-	-	-	-	-

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	21	14%	3	14%	7	16
Skilled (levels 3-5)	58	12%	3	5%	19	92
Highly skilled production (levels 6-8)	55	11%	11	20%	5	97
Highly skilled supervision (levels 9 -12)	67	21%	13	19%	5	223
Top and Senior management (levels 13-16)	9	22%	2	22%	5	59
Total	210	15%	32	15%	7	487

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2025

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

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	58	3	19
Skilled Levels 3-5)	74	3	25
Highly skilled production (Levels 6-8)	167	10	17
Highly skilled supervision (Levels 9-12)	267	15	18
Senior management (Levels 13-16)	125	5	25
Total	691	36	19

Table 3.10.4 Capped leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2026
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision(Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-

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

Table 3.10.5 Leave payouts for the period 1 April 2025 and 31 March 2026

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2024/25 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2025/26	-	-	-
Current leave payout on termination of service for 2025/26	-	-	-
Total	-	-	-

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
No specific units or categories of employees were identified as being at high risk of contracting HIV and related diseases during the reporting period.	The CPSI continued to implement employee health and wellness initiatives through awareness programmes, employee assistance services, wellness campaigns, counselling support, and the promotion of healthy lifestyle practices. Employees also had access to confidential wellness and psycho-social support services through the Employee Health and Wellness Programme (EHWP).

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		The Deputy Director: Human Resource Management was designated to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		The Human Resource Management unit is responsible for the promotion of employee health and wellness. Employee Health and Wellness activities are coordinated within the available operational budget of the Department.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		The Department continued to implement an Employee Health and Wellness Programme which includes counselling services, psychosocial support, health awareness and wellness campaigns, employee assistance services, and referrals where required.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide		√	The Department did not establish a separate committee and managed these responsibilities through the Human Resource Management structures.

Question	Yes	No	Details, if yes
the names of the members of the committee and the stakeholder(s) that they represent.			
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		Employment policies and practices are continuously reviewed to ensure alignment with applicable labour legislation and to prevent unfair discrimination against employees, including on the basis of HIV status.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		Measures include confidentiality of employee information, awareness programmes, access to counselling services, and adherence to applicable labour and anti-discrimination legislation and policies.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		Employees are encouraged to participate in Voluntary Counselling and Testing during wellness and health awareness campaigns conducted by the Department and service providers.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		Participation in wellness programmes, utilisation of employee assistance services, and attendance of awareness sessions are monitored as part of the Department's Employee Health and Wellness initiatives.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2025 and 31 March 2026

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2025 and 31 March 2026

Total number of Disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 and 31 March 2026

Type of misconduct	Number	% of total
None	-	-

Table 3.12.4 Grievances logged for the period 1 April 2025 and 31 March 2026

Grievances	Number	% of Total
Number of grievances resolved	-	0%
Number of grievances not resolved	-	0%
Total number of grievances lodged	-	0%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2025 and 31 March 2026

Disputes	Number	% of Total
Number of disputes upheld	-	0%
Number of disputes dismissed	-	0%
Total number of disputes lodged	-	0%

Table 3.12.6 Strike actions for the period 1 April 2025 and 31 March 2026

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2025 and 31 March 2026

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

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	-	1	1
	Male	2	-	-	-	-
Professionals	Female	5	-	4	-	4
	Male	6	-	-	2	2
Technicians and associate professionals	Female	2	-	-	1	1
	Male	2	-	1	1	2
Clerks	Female	7	1	2	-	3
	Male	2	-	-	2	2
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	4	1	-	1	2
	Male	2	-	-	-	-
Sub Total	Female	21	2	6	3	11
	Male	14	-	1	5	6
Total		35	2	7	8	17

Table 3.13.2 Training provided for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	1	1	2
	Male	2	-	-	-	-
Professionals	Female	5	-	7	-	7
	Male	6	-	1	2	3
Technicians and associate professionals	Female	2	-	-	1	1
	Male	2	-	4	2	6
Clerks	Female	7	-	14	1	15
	Male	2	-	1	-	1
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-

Occupational category	Gender	Number of employees as at 1 April 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	4	-	1	2	5
	Male	2	-	2	-	2
Sub Total	Female	21	-	23	5	30
	Male	14	-	7	4	12
Total		35	-	30	9	42

3.14 Injury on Duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2025 and 31 March 2026

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	0%
Temporary Total Disablement	-	0%
Permanent Disablement	-	0%
Fatal	-	0%
Total	-	0%

3.15 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 and 31 March 2026

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Audit and Risk Committee Members for CPSI	1	1	23,052.90
PILIR monthly HRM fees for April 2025 based on 31 heads at a unit price of R10.35	1	1	320.85
Audit and Risk Committee Members for CPSI	3	1	56,101.50
PILIR monthly HRM fees for May 2025 based on 31 heads at a unit price of R10.35	1	1	320.85
Audit and Risk Committee Members for CPSI	1	1	30,109.88
Audit and Risk Committee Members for CPSI	3	1	80,293.00
PILIR monthly HRM fees for December 2025 based on 31 heads at a unit price of R9.91	1	1	307.21

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
PILIR monthly HRM fees for February 2025 based on 31 heads at a unit price of R9.9.1	1	1	307.21
PILIR monthly HRM fees for June 2025 based on 31 heads at a unit price of R10.35	1	1	320.85
Audit and Risk Committee Members for CPSI	1	1	17,455.00
Audit and Risk Committee Members for CPSI	1	1	24,087.90
Competency Assessments	1	2	19,231.22
SAQA qualification verification services	1	1	2,633.00
SAQA qualification verification services	1	1	1,115.00
Audit and Risk Committee Members for CPSI	2	1	27,928.18
Audit and Risk Committee Members for CPSI	1	1	13,964.00
Audit and Risk Committee Members for CPSI	1	1	20,073.25
Audit and Risk Committee Members for CPSI	1	1	20,946.00
Audit and Risk Committee Members for CPSI	1	1	20,946.00
Audit and Risk Committee Members for CPSI	1	1	28,102.55
PILIR monthly HRM fees for July 2025 based on 31 heads at a unit price of R7.00	1	1	217.00
PILIR monthly HRM fees for August 2025 based on 31 heads at a unit price of R7.00	1	1	217.00
B-BBEE Certificate issued	1	40	25,257.45
Sign language interpretation services during the 2025 Public Sector Innovation Conference	6	2	27,000.00
SAQA qualification verification services	1	1	686.00
Audit and Risk Committee Members for CPSI	1	1	30,109.88
ICT Strategy & Governance	4	120	112,500.00
PILIR monthly HRM fees for November 2025 based on 31 heads at a unit price of R7.00	1	1	217.00
Audit and Risk Committee Members for CPSI	3	1	43,637.50
Audit and Risk Committee Members for CPSI	1	1	22,691.50
PILIR monthly HRM fees for December 2025 based on 31 heads at a unit price of R7.00	1	1	217.00
PILIR monthly HRM fees for January 2026 based on 31 heads at a unit price of R7.00	1	1	217.00
ICT Strategy & Governance	4	120	112,500.00
PILIR monthly HRM fees for September 2025 based on 31 heads at a unit price of R7.00	1	1	217.00
PILIR monthly HRM fees for October 2025 based on 31 heads at a unit price of R7.00	1	1	217.00
PILIR monthly HRM fees for February 2026 based on 31 heads at a unit price of R7.00	1	1	217.00
PILIR monthly HRM fees for March 2026 based on 31 heads at a unit price of R7.00	1	1	217.00
Business Process Engineering	4	4	63,199.40
Business Process Engineering	4	4	41,489.13
Business Process Engineering	4	1	21,415.53
Business Process Engineering	4	3	45,097.14
Business Process Engineering	4	1	24,051.62
Design thinking and innovation workshop	1	2	43,000.00
Hiring of audio-visual technicians and equipment during the 2025 Public Sector Innovation Conference	6	3	443,120.00
Graphic design services for approved CPSI communication material for the the 2025 Public Sector Innovation Conference	1	1	1,288.00
Design thinking and innovation workshop	1	2	55,000.00
Design thinking and innovation workshop	1	2	55,000.00
Hiring of audio-visual equipment during the Design Thinking workshop	1	1	7,960.00

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Hiring of audio-visual equipment during the Design Thinking workshop	1	1	9,700.00
Design thinking and innovation workshop	1	2	55,000.00
Hiring of audio-visual technicians and equipment during the 2025 Batho Pele and innovation Awards	6	1	408,495.90

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
14	40	344	2,037,768.40

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Business Process Engineering	100%	30%	4
ICT Strategy & Governance	100%	100%	4
Sign language interpretation services during the 2025 Public Sector Innovation Conference	100%	100%	2
B-BBEE Certificate issued	100%	100%	1
Competency Assessments	100%	100%	1
Hiring of audio-visual technicians and equipment during the 2025 Public Sector Innovation Conference	100%	100%	6
Design thinking and innovation workshop	100%	100%	0
Graphic design services for approved CPSI communication material for the 2025 Public Sector Innovation Conference	100%	100%	1
Hiring of audio-visual equipment during the Design Thinking workshop	100%	100%	1
Hiring of audio-visual technicians and equipment during the 2025 Batho Pele and innovation Awards	100%	100%	6

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2025 and 31 March 2026

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
-	-	-	-

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
-	-	-	-

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2025 and 31 March 2026

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

PART E: PFMA COMPLIANCE REPORT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable ¹	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	-	-

None.

Reconciling notes

Description	2025/2026	2024/2025 ₂
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	-	-

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

Description ³	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

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

c) Details of irregular expenditure condoned

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

No irregular expenditure condoned for the period under review.

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

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

No irregular expenditure not condoned for the period under review.

e) Details of irregular expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

No irregular expenditure recoverable for the period under review.

f) Details of irregular expenditure written off (irrecoverable)

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

No irregular expenditure written off for the period under review.

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)⁴

Description	2025/2026 ⁵	2024/2025
	R'000	R'000
	-	-
Total	-	-
None.		

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

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Disciplinary steps taken
None.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	6	16
Less: Fruitless and wasteful expenditure recoverable ⁶	(6)	(12)
Less: Fruitless and wasteful expenditure not recoverable and written off	-	(4)
Closing balance	-	-

During the period under review, the CPSI had two (2) cases of fruitless expenditure amounting to R5 730.14. These cases are still under determination.

- **R2 865.07** – The incident is within Research and Development unit. The Department identified expenditure relating to official travel arrangements. In this instance, the official was scheduled to travel from Cape Town to Johannesburg after an official site visit. The expenditure was incurred; however, the intended benefit was not derived due to the official missing the flight as a result of late arrival at the airport. The matter is still under determination.
- **R2 865.07** - The incident is within Corporate Services unit. The Department identified expenditure relating to official travel arrangements. In this instance, the official was scheduled to travel from Cape Town to Johannesburg after an official site visit. The expenditure was incurred; however, the intended benefit was not derived due to the official missing the flight as a result of late arrival at the airport. The matter is still under determination.

Reconciling notes

Description	2025/2026	2024/2025 ⁷
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	23	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	6	16
Total	29	16

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

Description ⁸	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure under assessment	26	-

Fruitless and wasteful expenditure under determination	6	16
Fruitless and wasteful expenditure under investigation	-	-
Total	32	16

The CPSI is investigating expenditure amounting to R23 228.54 relating to official travel undertaken for attendance at events in Dubai where travel arrangements could not be utilised as planned due to visa-related complications (R3 159) and travel documentation compliance-related complications (R20 070.00). The matter is currently under review by the relevant governance structures to determine whether any portion of the expenditure constitutes a recoverable loss and/or fruitless and wasteful expenditure in terms of the PFMA and Treasury Regulations. The final outcome of the investigation had not yet been concluded at the reporting date.

c) Details of fruitless and wasteful expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure recoverable	6	12
Total	6	12

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

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure written off		4
Total		4

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

Disciplinary steps taken
A written warning was issued to the employee relating to 2024/25 fruitless and wasteful expenditure with recommendations from the LCC that the responsible highlighting both time management and the responsibility to provide truthful and consistent information.
Additional written warning was issued to the employee relating to 2024/25 fruitless and wasteful expenditure addressing negligence, time management and alleged misleading declarations.

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-

Less: unauthorised expenditure recoverable ⁹	-	-
Less: unauthorised not recoverable and written off ¹⁰	-	-
Closing balance	-	-

None

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

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

Description ¹¹	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

None.

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)¹²

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2025/2026	2024/2025
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-

None.

b) Details of other material losses

Nature of other material losses	2025/2026	2024/2025
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

None.

c) Other material losses recoverable

Nature of losses	2025/2026	2024/2025
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

None.

d) Other material losses not recoverable and written off

Nature of losses	2025/2026	2024/2025
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

None.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	514	20 046
Invoices paid within 30 days or agreed period	514	20 046
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	-	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

The CPSI processed 514 payments for the period under review. No payment was recorded as having exceeded 30 days for the period under review. The overall average payment days was 3.44 days compared to 3.27 days for the same period in 2024/25).

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Iqual.Net License renewal	Predicate	Sole Supplier	OR-000771	R158 505.00
Adobe sign-on transactions	Lusu Technologies	Single source	OR-000791	R103 960.00
Backup Unit Autoloader Storage	BOA Technologies	Single source	OR-000823	R381 101.76
Total				R643 566.76

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Hiring of a Marquee	Siyabongeka Investment	Expansion	OR-000815	R198 317.50		R213 267.50
Total				R198 317.50		R213 267.50

PART F: FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Centre for Public Service Innovation (CPSI) set out on pages 103 to 131, which comprise the appropriation statement, statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets and cash flow statement for the year ended 31 March 2026, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the government component as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the government component in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 132 to 135 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the government component's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the government component or to cease operations or has no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on pages 98-100 of the annexure to the auditor's report, forms part of my auditor's report.

Report on the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to programme 2: public sector innovation presented in the annual performance report for the year ended 31 March 2026. I selected a programme that measures the government component's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme 2	Page numbers	Purpose
Number of research initiatives undertaken	41	Research and Development establishes the evidence base in support of the programme to inform the selection, development, testing and piloting of potential innovative models and solutions. It further facilitates the development of solutions within the public service and supports the development of the required skills base.
Number of development initiatives undertaken	41	
Number of youth digital skills development initiatives supported	41	

Number of innovative solutions replicated in the public sector	41	Institutional Support and Replication facilitate institutional support, demonstration, replication and mainstreaming of innovative solutions for the public sector.
Number of knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	41	Enabling Environment and Stakeholder Management nurtures and sustains an enabling innovative environment, entrenches a culture and practice of innovation in the public sector through innovative platforms and products, and develops and maintains partnerships and stakeholder relations to enhance collaboration.
Number of institutions supported on innovation	41	

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

15. I performed procedures to test whether:

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

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

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

Report on compliance with legislation

- e) In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the government component's compliance with legislation.
- f) I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
- g) Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the government component, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
- h) I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

- i) The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
- j) My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
- k) My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- l) If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
- m) I have nothing to report in this regard.

Internal control deficiencies

- n) I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- o) I did not identify any significant deficiencies in internal control.

Auditor General

Pretoria

31 July 2026



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation - selected legislative requirements¹

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); Section 38(1)(h)(iii); 38(1)U); 40(1)(a); 40(1)(b); Section 40(1)(c)(i); 44(1); 44(2); 45(b);
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; Regulation 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation c Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A7.1; 16A7.3; 16A7.6; Regulation 16A7.7; 16A8.3; 16A8.3; 16A8.4; Regulation 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); Regulation 16A9.1(f); 16A9.2; 16A9.2(a)(ii); Regulation 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)

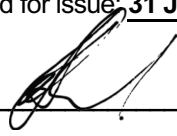
Legislation	Sections or regulations
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

CENTRE FOR PUBLIC SERVICE INNOVATION
ANNUAL FINANCIAL STATEMENTS
as at 31 March 2026

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

As at 31 March 2026

Date authorised for issue: **31 July 2026**

Authorised by:  _____

CENTRE FOR PUBLIC SERVICE INNOVATION
ANNUAL FINANCIAL STATEMENTS
as at 31 March 2026

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CENTRE FOR PUBLIC SERVICE INNOVATION
APPROPRIATION STATEMENT
as at 31 March 2026

Appropriation per programme									
	2025/26							2024/25	
Programme	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	27,145	-	-	27,145	22,419	4,726	82.6%	24,439	20,337
2. Public Sector Innovation	24,058	-	-	24,058	23,656	402	98.3%	23,500	21,413
Total	51,203	-	-	51,203	46,075	5,128	90.0%	47,939	41,750
Departmental receipts				31				73	
Aid assistance				-				-	
Actual amounts per statement of financial performance (Total revenue)				51,234				48,012	
Actual amounts per statement of financial performance (Total expenditure)					46,075				41,750

Appropriation per economic classification									
	2025/26							2024/25	
Economic Classification	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	50,379	(52)	-	50,327	45,511	4,816	90.4%	46,099	40,112
Compensation of employees	31,436	-	-	31,436	27,994	3,442	89.1%	28,704	25,332
Goods and services	18,943	(52)	-	18,891	17,517	1,374	92.7%	17,395	14,780
Transfers and subsidies	-	-	-	-	-	-	-	2	-
Departmental agencies and accounts	-	-	-	-	-	-	-	1	-
Households	-	-	-	-	-	-	-	1	-
Payments for capital assets	824	52	-	876	564	312	64.4%	1,838	1,638
Machinery and equipment	824	(394)	-	430	371	59	86.3%	792	626
Software and other intangible assets	-	446	-	446	193	253	43.3%	1,046	1,012
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	51,203	-	-	51,203	46,075	5,128	90.0%	47,939	41,750

CENTRE FOR PUBLIC SERVICE INNOVATION
APPROPRIATION STATEMENT
as at 31 March 2026

PROGRAMME 1: ADMINISTRATION									
	2025/26							2024/25	
Sub programme	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Executive Support	5,520	(135)	-	5,385	3,224	2,161	59.9%	5,122	2,541
2. Corporate Services	13,726	412	-	14,138	12,053	2,085	85.3%	12,552	11,276
3. Office of the Chief Financial Officer	7,899	(277)	-	7,622	7,142	480	93.7%	6,765	6,520
Total	27,145	-	-	27,145	22,419	4,726	82.6%	24,439	20,337

	2025/26							2024/25	
Economic classification	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	26,569	(49)	-	26,520	22,106	4,414	83.4%	22,754	18,741
Compensation of employees	16,042	-	-	16,042	12,748	3,294	79.5%	14,001	10,724
Goods and services	10,527	(49)	-	10,478	9,358	1,120	89.3%	8,753	8,017
Transfers and subsidies	-	-	-	-	-	-	-	2	-
Departmental agencies and accounts	-	-	-	-	-	-	-	1	-
Households	-	-	-	-	-	-	-	1	-
Payments for capital assets	576	49	-	625	313	312	50.1%	1,683	1,596
Machinery and equipment	576	(299)	-	277	218	59	78.7%	637	584
Software and other intangible assets	-	348	-	348	95	253	27.3%	1,046	1,012
Total	27,145	-	-	27,145	22,419	4,726	82.6%	24,439	20,337

CENTRE FOR PUBLIC SERVICE INNOVATION
APPROPRIATION STATEMENT
as at 31 March 2026

PROGRAMME 2: PUBLIC SECTOR INNOVATION									
	2025/26							2024/25	
Sub programme	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Research and Development	7,228	405	-	7,633	7,510	123	98.4%	7,048	6,464
2. Institutional Support and Replication	6,993	(618)	-	6,375	6,194	181	97.2%	6,788	5,380
1. Enabling Environment and Stakeholder Management	9,837	213	-	10,050	9,952	98	99.0%	9,664	9,569
Total	24,058	-	-	24,058	23,656	402	98.3%	23,500	21,413

	2025/26							2024/25	
Economic classification	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23,810	(3)	-	23,807	23,405	402	98.3%	23,345	21,371
Compensation of employees	15,394	-	-	15,394	15,246	148	99.0%	14,703	14,608
Goods and services	8,416	(3)	-	8,413	8,159	254	97.0%	8,642	6,763
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	248	3	-	251	251	-	100.0%	155	42
Machinery and equipment	248	(95)	-	153	153	-	100.0%	155	42
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	24,058	-	-	24,058	23,656	402	98.3%	23,500	21,413

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2026

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements. Detail of transfers and subsidies can be viewed in Annexure 1A.

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

2.1. **Per programme:**

Programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	27,145	22,419	4,726	17.4%
Public Sector Innovation	24,058	23,656	402	1.7%
Total	51,203	46,075	5,128	10.0%

As at 31 March 2026, actual expenditure under Programme 1 amounted to R22.419 million, representing 82.6 per cent of the final appropriation of R27.145 million, resulting in under-expenditure of R4.726 million.

The under-expenditure at the end of the reporting period is mainly attributable to the following:

Compensation of employees: The underspending was mainly attributable to funded vacant posts that were vacant at the end of the reporting period, as well as delays experienced in finalising certain recruitment processes during the year under review.

Goods and services: The underspending relates mainly to funds initially allocated for the relocation of the CPSI to new office accommodation. However, pending the finalisation of suitable alternative accommodation by the Department of Public Works and Infrastructure, the related expenditure could not be incurred before the end of the 2025/26 financial year.

Capital expenditure: Capital expenditure was lower than planned as certain capital assets ordered during the reporting period had not yet been delivered by year-end and will therefore be recognised in the new financial year.

Actual expenditure under Programme 2 amounted to R23.656 million as at 31 March 2026, representing 98.3 per cent of the final appropriation of R24.058 million, resulting in under-expenditure of R402 000.

The under-expenditure at the end of the reporting period relates mainly to the following:

Goods and services: The underspending was mainly attributable to delays experienced in finalising procurement processes relating to certain replication and development projects, as well as savings realised through cost-sharing arrangements for the National Batho Pele and Innovation Awards ceremony.

The underspending will be surrendered to the fiscus.

2.2. **Per economic classification:**

Economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure	50,327	45,511	4,816	9.6%
Compensation of employees	31,436	27,994	3,442	10.9%
Goods and services	18,891	17,517	1,374	7.3%
Transfers and subsidies	-	-	-	0.0%
Departmental agencies and accounts	-	-	-	0.0%
Households	-	-	-	0.0%
Payments for capital assets	876	564	312	35.6%
Machinery and equipment	430	371	59	13.7%

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2026

Economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Software and other intangible assets	446	193	253	56.7%
Payments for financial assets	-	-	-	
Total	51,203	46,075	5,128	10.0%

Overall expenditure: Actual expenditure as at 31 March 2026 amounted to R46.075 million, representing 90.0 per cent of the final appropriation of R51.203 million, resulting in underspending of R5.128 million (10.0 per cent). The departmental expenditure variance can be explained as follows:

Compensation of Employees: An amount of R27.994 million (89.1 per cent) was spent on Compensation of Employees against the final appropriation of R31.436 million, resulting in underspending of R3.442 million (10.9 per cent). The underspending relates mainly to funded vacant posts that were vacant at the end of the reporting period, including the Executive Director post, Administrative Assistant post, and Security and Facility Management post, as well as delays experienced in finalising certain recruitment processes during the year under review.

Goods and Services: An amount of R17.517 million (92.7 per cent) was spent on Goods and Services against the final appropriation of R18.891 million, resulting in underspending of R1.374 million (7.3 per cent). The underspending relates mainly to expenditure initially allocated for the relocation of the CPSI to new office accommodation. However, pending the finalisation of suitable alternative accommodation by the Department of Public Works and Infrastructure, the related expenditure could not be incurred before the end of the 2025/26 financial year. The underspending also includes delays experienced in finalising procurement processes relating to certain replication and development projects, as well as savings realised through cost-sharing arrangements for the National Batho Pele and Innovation Awards ceremony.

Payments for Capital Assets: An amount of R564 000 (64.4 per cent) was spent on Payments for Capital Assets against the final appropriation of R876 000, resulting in underspending of R312 000 (35.6 per cent). The lower expenditure relates mainly to certain capital assets ordered during the reporting period that had not yet been delivered by year-end and will therefore be recognised in the 2026/27 financial year.

Transfers and Subsidies: No expenditure was incurred on Transfers and Subsidies during the reporting period.

CENTRE FOR PUBLIC SERVICE INNOVATION
STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
REVENUE			
Annual appropriation	1	51,203	47,939
Departmental revenue	2	31	73
TOTAL REVENUE		51,234	48,012
EXPENDITURE			
Current expenditure			
Compensation of employees	3	27,994	25,332
Goods and services	4	17,517	14,780
Total current expenditure		45,511	40,112
Transfers and subsidies			
Transfers and subsidies	5	-	-
Total transfers and subsidies		-	-
Expenditure for capital assets			
Tangible assets		371	626
Intangible assets		193	1,012
Total expenditure for capital assets		564	1,638
TOTAL EXPENDITURE		46,075	41,750
SURPLUS FOR THE YEAR		5,159	6,262
Reconciliation of Net Surplus for the year			
Voted Funds		5,128	6,189
Annual appropriation		5,128	6,189
Departmental revenue and NRF Receipts	11	31	73
SURPLUS FOR THE YEAR		5,159	6,262

CENTRE FOR PUBLIC SERVICE INNOVATION
STATEMENT OF FINANCIAL POSITION
as at 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
ASSETS			
Current Assets		5,404	6,227
Cash and cash equivalents	7	4,694	5,428
Prepayments and advances	8	612	690
Receivables	9	98	109
Non-Current Assets		462	29
Prepayments and advances	8	462	29
TOTAL ASSETS		5,866	6,256
LIABILITIES			
Current Liabilities		5,866	6,256
Voted funds to be surrendered to the Revenue Fund	10	5,834	6,189
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	1	11
Payables	12	31	56
TOTAL LIABILITIES		5,866	6,256
NET ASSETS		-	-
TOTAL		-	-

CENTRE FOR PUBLIC SERVICE INNOVATION
STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2026

		2025/26	2024/25
	Note	R'000	R'000
Capitalisation Reserves			
Opening balance		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	-
Closing balance		-	-
Retained funds			
Opening balance		-	-
Closing balance		-	-
Revaluation Reserves			
Opening balance		-	-
Closing balance		-	-
TOTAL		-	-

CENTRE FOR PUBLIC SERVICE INNOVATION
CASH FLOW STATEMENT
as at 31 March 2026

		2025/26	2024/25
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		51,234	48,012
Annual appropriated funds received	1	51,203	47,939
Departmental revenue received	2	30	73
Interest received	2.2	1	
Net increase in working capital		(369)	(770)
Surrendered to Revenue Fund		(5,524)	(1,692)
Surrendered to RDP Fund/Donor		-	-
Current payments		(45,511)	(40,112)
Payments for financial assets		-	-
Transfers and subsidies paid		-	-
Net cash flow available from operating activities	13	(170)	5,438
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	6	(564)	(1,638)
Net cash flows from investing activities		(564)	(1,638)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		(734)	3,800
Cash and cash equivalents at beginning of period		5,428	1,628
Cash and cash equivalents at end of period	14	4,694	5,428

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
as at 31 March 2026

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

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
as at 31 March 2026

	Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
8.	Expenditure
8.1.	Compensation of employees
8.1.1.	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2.	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2.	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3.	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4.	Leases
8.4.1.	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2.	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the commencement of the lease term are recorded and measured at the lower of: - the fair value of the leased asset; or if lower, - the present value of the minimum lease payments.
9.	Cash and cash equivalents
	Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
10.	Prepayments and advances
	Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments (not expensed) to non-governmental entities are made in advance due to a contractual obligation and are expensed on receipt of appropriated funds from the relevant Aid Assistant, where applicable. Prepayments (expensed) to suppliers are made from budgeted funds and recognised from the first day of the next month of which the payments were processed for the duration of the prepaid good or

CENTRE FOR PUBLIC SERVICE INNOVATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
as at 31 March 2026

	services. The expenditure related to the prepayments is expensed at the end of each quarter of the financial year.
11.	Financial assets
11.1.	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.	Receivables
	Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	Payables
	Payables recognised in the statement of financial position are recognised at cost.
14.	Capital Assets
14.1.	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2.	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
14.3.	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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	Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
15.	Provisions and Contingents
15.1.	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
16.	Fruitless and wasteful expenditure
	Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
17.	Irregular expenditure
	Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
18.	Changes in accounting estimates and errors
	Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities, and net assets for the earliest period for which retrospective restatement is practicable.
19.	Events after the reporting date
	Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
20.	Recoverable revenue
	Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
21.	Related party transactions
	Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements. Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the department. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
22.	Employee benefits
	The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.

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	Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
23.	Broad-Based Black Economic Empowerment (B-BBEE) Performance
	Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE compliance performance information.

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1. Annual Appropriation

	2025/26			2024/25		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final Budget	Appropriation Received	Funds not requested/ not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	27,145	27,145	-	24,439	24,439	-
Public Sector Innovation	24,058	24,058	-	23,500	23,500	-
Total	51,203	51,203	-	47,939	47,939	-

	Note	2025/26 R'000	2024/25 R'000
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2. Departmental revenue

Sales of goods and services other than capital assets	2.1	6	5
Interest, dividends and rent on land	2.2	1	-
Transactions in financial assets and liabilities	2.3	24	68
Departmental revenue collected		31	73

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

Sales of goods and services produced by the department	6	5
Other sales	6	5
Total	6	5

2.2. Interest, dividends and rent on land 2

Interest	1	-
Total	1	-

Departmental receipts were generated from the staff debt relating to accommodation and loss of an asset and commission on insurance. Due to the nature of the activities undertaken by the Organisation, the core function of the CPSI is not to collect revenue.

2.3. Transactions in financial assets and liabilities 2

Other Receipts including Recoverable Revenue	24	68
Total	24	68

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

Sponsorships	Annexure 1(B)	813	608
Total		813	608

3. Compensation of employees

3.1. Salaries and Wages

Basic salary	18,840	17,019
Performance award	33	-
Service Based	44	-
Compensative/circumstantial	26	229
Other non-pensionable allowances	5,504	4,956
Total	24,447	22,204

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		2025/26 R'000	2024/25 R'000
3.2.	Social Contributions		
	Employer contributions		
	Pension	2,409	2,189
	Medical	1,133	935
	Bargaining council	5	4
	Total	3,547	3,128
	Total compensation of employees	27,994	25,332
	Average number of employees	35	34
<i>The compensation of employees in 2025/26 increased due to Cost-of-Living Adjustments, pay progression and filling of vacant posts (permanent and additional to establishment).</i>			
4.	Goods and services		
	Administrative fees	176	189
	Advertising	475	473
	Minor assets 4.1	-	18
	Bursaries (employees)	342	71
	Catering	379	124
	Communication	416	370
	Computer services 4.2	2,493	2,663
	Consultants: Business and advisory services	958	688
	Contractors	1,078	962
	Entertainment	2	-
	Audit cost – external 4.3	1,367	1,100
	Consumables 4.4	1,529	872
	Operating leases	2,504	2,373
	Rental and hiring	32	-
	Travel and subsistence 4.5	3,858	2,714
	Venues and facilities	1,233	1,577
	Training and development	292	445
	Other operating expenditure 4.6	383	141
	Total	17,517	14,780
4.1.	Minor assets 4		
	Tangible current assets	-	18
	Machinery and equipment	-	18
	Total	-	18
4.2.	Computer services 4		
	SITA computer services	380	268
	External computer service providers	2,113	2,395
	Total	2,493	2,663
4.3.	Audit cost – External 4		
	Regularity audits	1,367	1,100
	Total	1,367	1,100
4.4.	Consumables 4		
	Consumable supplies	1,235	789
	Uniform and clothing	-	-
	Household supplies	260	164
	IT consumables	-	2
	Other consumables	975	623
	Stationery, printing and office supplies	294	83
	Total	1,529	872

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	Note	2025/26 R'000	2024/25 R'000
4.5. Travel and subsistence	4		
Local		3,751	2,601
Foreign		107	113
Total		3,858	2,714
4.6. Other operating expenditure	4		
Professional bodies, membership and subscription fees		7	2
Resettlement costs		53	-
Other		323	139
Total		383	141
4.7. Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services) [Treasury Regulation 20.2.4]			
Audit and Risk Committee (4)		459	489
Total		459	489

Payments were made to four (4) members of the Audit and Risk Committee as at 31 March 2026.

Goods and services	2025/26 (R'000)	2024/25 (R'000)	Explainer notes
Administrative fees	176	189	2025/26 and 2024/25 : Expenditure relates mainly to bank charges and travel management fees. Comparison : Expenditure decreased by 6.9 per cent in 2025/26 compared to the prior financial year mainly due to lower travel management-related transaction volumes during the reporting period.
Advertising	475	473	2025/26 and 2024/25 : Expenditure relates mainly to the procurement of promotional materials and branded items for the Public Sector Innovation Conference and the Batho Pele and Innovation Awards Programme. Comparison : Expenditure remained largely consistent in 2025/26 compared to the prior financial year, with only a marginal increase of 0.4 per cent relating to similar promotional and branding activities undertaken during the reporting period.
Minor assets	-	18	2025/26 : No expenditure was incurred on minor assets during the reporting period. 2024/25 : Expenditure related mainly to the procurement of laptop bags, kitchen appliances and electronic equipment. Comparison : Expenditure decreased by 100 per cent in 2025/26 due to the once-off procurement of minor assets during the prior financial year.
Bursaries (employees)	342	71	2025/26 and 2024/25 : Expenditure relates mainly to textbooks and bursary commitments approved for CPSI officials during the reporting period. Comparison : Expenditure increased by 381.7 per cent in 2025/26 mainly due to four new bursaries awarded to CPSI officials during the reporting period.
Catering	379	124	2025/26 : Expenditure relates mainly to catering for approved workshops, staff engagements and project-related sessions and meetings. 2024/25 : Expenditure mainly related to catering for the Digital Youth Expo, e-Leave source code sessions, staff meetings, Global Green Replication Workshop and High-Volume Cataract Replication Project activities. Comparison : Expenditure increased by 205.6 per cent in 2025/26 mainly due to an increase in workshops,

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Goods and services	2025/26 (R'000)	2024/25 (R'000)	Explainer notes
			stakeholder engagements and catering provided for Youth Skills Development Programme activities during the reporting period.
Communication	416	370	2025/26 and 2024/25 : Expenditure relates mainly to approved cellphone and data allowances for Junior Management, MMS and SMS members, once-off installation of landline telephones for newly appointed staff, as well as landline telephone usage by CPSI staff. Comparison : Expenditure increased by 12.4 per cent in 2025/26 mainly due to once-off adjustments to cellphone and data allowances, as well as the appointment of additional Junior Management employees qualifying for cellphone and data allowances during the reporting period.
Computer services	2 493	2 663	2025/26 and 2024/25 : Expenditure relates mainly to Microsoft licences, SITA services, SCM supplier system costs, and system support and maintenance. Comparison : Expenditure decreased by 6.4 per cent in 2025/26 mainly due to timing differences in billing cycles and delayed finalisation of certain system-related procurement and contract renewal processes during the reporting period.
Consultants: Business and advisory services	958	688	2025/26 : Expenditure relates mainly to Audit and Risk Committee members' fees and B-BBEE advisory services. 2024/25 : Expenditure related mainly to payments to Audit and Risk Committee members, risk management services and B-BBEE services. Comparison : Expenditure increased by 39.2 per cent in 2025/26 mainly due to higher expenditure incurred on B-BBEE advisory services during the reporting period compared to the prior financial year.
Contractors	1 078	962	2025/26 and 2024/25 : Expenditure relates mainly to audio-visual and sound engineering services for the Public Sector Innovation Conference and Awards Programme. Comparison : Expenditure increased by 12.1 per cent in 2025/26 mainly due to inflationary increases in event-related service costs and additional technical support requirements during the reporting period.
Entertainment	2	-	2025/26 : Expenditure relates mainly to approved official hospitality and stakeholder engagement activities undertaken during the reporting period. 2024/25 : No expenditure was incurred on entertainment during the reporting period. Comparison : Expenditure incurred in 2025/26 relates to limited official hospitality and stakeholder engagement activities, whereas no such expenditure was incurred in the prior financial year.
Audit cost – external	1 367	1 100	2025/26 and 2024/25 : Expenditure relates to external audit fees for the 2024/25 and 2023/24 audit cycle incurred in line with the approved audit strategy. Comparison : Expenditure increased by 24.3 per cent in 2025/26 mainly due to annual fee escalations and the timing of audit activities performed during the reporting period.
Consumables	1 529	872	2025/26 : Expenditure relates mainly to the procurement of cleaning materials, household consumables, stationery and replication project items. 2024/25 : Expenditure related mainly to replication project items, cleaning materials, office water, stationery, printing paper and cartridges.

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Goods and services	2025/26 (R'000)	2024/25 (R'000)	Explainer notes
			Comparison: Expenditure increased by 75.3 per cent in 2025/26 mainly due to procurement delays relating to items for the CPSI Awards Programme during the prior financial year, which were finalised and processed during the current reporting period.
Operating leases	2 504	2 373	2025/26 and 2024/25: Expenditure relates mainly to quarterly accommodation lease payments to the Department of Public Service and Administration (DPSA), aligned to the lease arrangement between DPSA and the Department of Public Works and Infrastructure (DPWI). Comparison: Expenditure increased by 5.5 per cent in 2025/26 mainly due to annual escalation adjustments relating to accommodation lease costs during the reporting period.
Rental and hiring	32	-	2025/26: Expenditure relates mainly to ad hoc rental and hiring of equipment required for operational purposes during the reporting period. 2024/25: No expenditure was incurred on rental and hiring during the reporting period. Comparison: Expenditure incurred in 2025/26 relates to non-recurring operational equipment requirements, whereas no such expenditure was incurred in the prior financial year.
Travel and subsistence	3 858	2 714	2025/26: Expenditure relates mainly to travel for project site visits, call-for-entries activities, conference and DevCon participation, the Batho Pele and Innovation Awards Programme, and approved foreign travel. 2024/25: Expenditure related mainly to travel for call-for-entries activities, design thinking sessions, conferences, awards programmes and project site visits. Comparison: Expenditure increased by 42.2 per cent in 2025/26 mainly due to increased project-related travel and the timing and scale of conference and stakeholder engagement activities during the reporting period.
Venues and facilities	1 233	1 577	2025/26: Expenditure relates mainly to venue hire for approved engagements undertaken during the reporting period. 2024/25: Expenditure related mainly to venue costs for call-for-entries activities, the Public Sector Innovation Conference and Awards Programme. Comparison: Expenditure decreased by 21.8 per cent in 2025/26 mainly due to cost-sharing arrangements arising from the integration of the CPSI Innovation Awards Programme with the DPSA Batho Pele Awards Programme during the reporting period.
Training and development	292	445	2025/26: Expenditure relates mainly to approved training and development interventions aligned to the Workplace Skills Plan. 2024/25: Expenditure related mainly to professional courses, conferences and training programmes across various functional areas. Comparison: Expenditure decreased by 34.4 per cent in 2025/26 mainly due to the timing of planned training interventions, some of which were deferred to the next performance cycle due to operational priorities during the reporting period.
Other operating expenditure	383	141	2025/26: Expenditure relates mainly to courier services, photocopier costs and printing of statutory documents.

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Goods and services	2025/26 (R'000)	2024/25 (R'000)	Explainer notes
			2024/25: Expenditure related mainly to photocopier costs, courier services and printing of the Annual Report and Annual Performance Plan. Comparison: Expenditure increased by 171.6 per cent in 2025/26 mainly due to higher printing and distribution costs relating to statutory and governance documentation during the reporting period.
Total	17 517	14 780	

	Note	2025/26 R'000	2024/25 R'000
5. Transfers and Subsidies			
Households	ANNEXURE 1A	-	-
Total		-	-
6. Expenditure for capital assets			
Tangible capital assets		371	626
Machinery and equipment	22	371	626
Intangible capital assets		193	1,012
Software	23	193	1,012
Total		564	1,638
6.1. Analysis of funds utilised to acquire capital assets – 2025/26			
	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible capital assets	371	-	371
Machinery and equipment	371	-	371
Intangible capital assets	193	-	193
Software	193	-	193
Total	564	-	564
6.2. Analysis of funds utilised to acquire capital assets – 2024/25			
	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible capital assets	626	-	626
Machinery and equipment	626	-	626
Intangible capital assets	1,012	-	1,012
Software	1,012	-	1,012
Total	1,638	-	1,638

Additional information: Expenditure incurred during 2025/26 related to the capital portion of the finance lease for photocopier machines (R38 000), software procurements (R193 000), laptops (R288 000), computer desktops (R11 000), kitchen appliances (R9 000) and computer peripherals (R25 000).

The expenditure for 2025/26 excludes R166 000 relating to prepayments made for intangible capital assets not yet received as at 31 March 2026. The amount has therefore been included in the additions to Intangible Capital Assets (Note 23) and disclosed separately in Note 8.1 under capital assets.

Expenditure in 2024/25 related to the capital cost of finance leases for photocopier machines (R42 000), software procurements (R1.041 million), laptops (R410 000), computer desktops (R99 000) and tablets (R75 000).

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	Note	2025/26 R'000	2024/25 R'000
6.3.	Finance lease expenditure included in Expenditure for capital assets		
	Tangible capital assets		
	Machinery and equipment	38	42
	Total	38	42

Additional information There is one finance lease contract in place for two photocopier machines, effective from 1 June 2023.

7.	Cash and cash equivalents		
	Consolidated Paymaster General Account	4,674	5,408
	Cash on hand	20	20
	Total	4,694	5,428

8.	Prepayments and advances		
	Travel and subsistence	-	13
	Prepayments (Not expensed)	1,074	706
	Total	1,074	719

Analysis of Total Prepayments and advances

Current Prepayments and advances	612	690
Non-current Prepayments and advances	462	29
Total	1,074	719

8.1. **Prepayments (Not-Expensed)**
2025/26

	Balance as at 1 April 2025 R'000	Less: Received in the current year R'000	Add/ Less: Other R'000	Add: Current year prepay- ments R'000	Balance as at 31 March 2026 R'000
Goods and services	677	(677)	-	891	891
Capital assets	29	(12)	-	166	183
Total	706	(689)	-	1,057	1,074

2024/25

	Balance as at 1 April 2024 R'000	Less: Received in the current year R'000	Add/ Less: Other R'000	Add: Current year prepay- ments R'000	Balance as at 31 March 2025 R'000
Goods and services	-	-	-	677	677
Capital assets	-	-	-	29	29
Total	-	-	-	706	706

8.2. **Prepayments (Expensed)**
2025/26

	Balance as at 1 April 2025 R'000	Less: Amounts expensed in current year R'000	Add/Less: Other R'000	Amount as at 31 March 2026 R'000
Prepayments (Expensed)	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-
Capital assets	7	(7)	-	-
Total	7	(7)	-	-

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2024/25

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

Additional information Prepayments (expensed) to suppliers are made from appropriated funds and recognised from the first day of the following month, of which the payments were processed for the duration of the prepaid good or services. Refer to Annexure 2.

9. Receivables

		2025/26			2024/25		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	9.1	1	-	1	6	-	6
Staff debt	9.2	4	-	4	10	-	10
Other receivables	9.3	93	-	93	93	-	93
Total		98	-	98	109	-	109

	Note	2025/26 R'000	2024/25 R'000
9.1. Recoverable expenditure	9		
SARS reversals of over deductions		1	6
Total		1	6
9.2. Staff debts	9		
Salary debts		4	-
Loss of asset		-	10
Total		4	10

Additional information 2025/26 – includes the R1 000 recoverable from SARS due to reversal of over-deductions, staff debt of R4 000 relating to accommodation. The staff debt will be fully recovered during 2026/27.

2024/25 – Includes R6 000 recoverable from SARS due to reversal of over-deductions. In addition, the staff debt of R10 000 related to the loss of an asset. The staff debt was fully recovered in 2025/26.

	Note	2025/26 R'000	2024/25 R'000
9.3. Other receivables	9		
SARS admin penalty		93	93
Total		93	93

10. Voted funds to be surrendered to the Revenue Fund

Opening balance	6,189	1,630
Transferred from statement of financial performance (as restated)	5,128	6,189
Voted funds not requested/not received	-	-
Paid during the year	(5,483)	(1,630)
Closing balance	5,834	6,189

11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

Opening balance	11	-
Transferred from Statement of Financial Performance (as restated)	31	73
Paid during the year	(41)	(62)
Closing balance	1	11

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	Note	2025/26 R'000	2024/25 R'000
12. Payables – current			
Clearing accounts	12.1	31	56
Total		31	56
12.1. Clearing accounts	12		
Salaries: Income Tax		27	52
Salaries: Pension		4	4
Total		31	56
13. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		5,159	6,262
Add back non-cash/cash movements not deemed operating activities		(5,329)	(824)
(Increase)/decrease in receivables		11	(107)
(Increase) in prepayments and advances		(355)	(719)
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(25)	56
Proceeds from sale of capital assets		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		564	1,638
Surrenders to / Received from the Revenue Fund		(5,524)	(1,692)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		(170)	5,438
14. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		4,674	5,408
Cash on hand		20	20
Total		4,694	5,428
15. Capital Commitments			
Machinery and equipment		313	-
Total		313	-

Additional information: 2025/26 - Orders for laptops and computer desktops not delivered by the service providers by 31 March 2026.

16. Accruals and payables not recognised
Accruals

	2025/26 R'000	R'000	R'000	2024/25 R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	647	-	647	321
Transfers and subsidies	1,162	-	1,162	-
Other	66	-	66	-
Total	1,875	-	1,875	321

Additional information The accruals include support services, photocopier rental and charges, courier services, cell phone and telephone costs, audit costs, internet charges, travel and subsistence costs, bank charges, supplementary payroll-related expenditure and approved retirement-related benefits payable after year-end. The accruals are unique to each financial year, depending on the type of expenditure, approved obligations and the date of receipt of invoices.

During the reporting period, accruals also included approved incentivised early retirement benefits relating to an employee whose retirement became effective on 31 March 2026. Certain employee benefit obligations previously included under employee benefit provisions were accordingly reclassified and disclosed under accruals and payables not recognised, as the obligations had crystallised and became payable after year-end.

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Payables (not recognised)

16.2 Payables not recognised	2025/26			2024/25
	R'000	R'000	R'000	R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and service	14	-	14	47

	Note	2025/26 R'000	2024/25 R'000
17. Employee benefits			
Leave entitlement		840	1,325
Service bonus		800	816
Capped leave		83	92
Other		33	44
Total		1,756	2,277

Additional information: During the reporting period, an amount of R7 103.25 was included under "leave entitlement" employee benefits for vacation leave taken in advance. During the reporting period, three employees were identified as expected to qualify for 20-year long-service awards during the 2026/27 financial year. Based on the provisions of the Long Service Recognition System, an estimated obligation of R33 thousand has been recognised under "Other" employee benefits as a long-service award obligation.

In addition, employee benefit obligations relating to an employee who qualified for incentivised early retirement with effect from 31 March 2026 were removed from employee benefit provisions and disclosed under accruals in Note 16, as the obligations had crystallised and were payable after year-end.

18. Lease commitments

18.1. Operating leases

2025/26	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	966	-	966
Later than 1 year and not later than 5 years	-	-	1,019	-	1,019
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	1,985	-	1,985

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

Additional information The CPSI occupies office space at DPSA at cost in terms of the lease arrangement administered between DPSA and the Department of Public Works and Infrastructure (DPWI). The current occupation arrangement continues on a month-to-month basis pending finalisation of alternative accommodation arrangements.

DPWI has been in the process of securing alternative accommodation for CPSI since 2018. Although relocation is anticipated during the 2026/27 financial year, the process remains subject to lease finalisation, space readiness, tenant installation requirements and related approvals.

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The preliminary cost estimates provided by DPWI represent planning estimates for accommodation procurement purposes and do not constitute a final legally enforceable long-term lease commitment by CPSI. In applying management judgement, and in line with the Modified Cash Standard and the Accounting Manual for Departments, CPSI assessed the period for which there is a reasonable expectation of continued occupation of the current premises. Based on the principle of constructive obligation, the uncertainty relating to the timing of relocation, and historical experience indicating that the DPWI accommodation procurement and relocation process may extend over a period of up to two years, the lease commitment disclosure has therefore been limited to the estimated two-year occupation period in order to avoid overstating future financial commitments.

18.2. Finance leases

2025/26	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	10	10
Later than 1 year and not later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	10	10

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

Additional information The finance lease commitment relates to existing photocopier lease arrangements currently in place up to June 2026. National Treasury's replacement transversal term contract process had not yet been finalised at reporting date, and departments were advised to continue utilising existing equipment arrangements pending finalisation of the new contract arrangements.

Management expects that, subsequent to June 2026, the existing equipment will continue to be utilised on a usage-based charging model rather than under fixed lease commitments. Accordingly, no additional long-term finance lease commitment has been recognised beyond the existing contractual lease term.

Note	2025/26 R'000	2024/25 R'000
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19. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	-	-
Fruitless and wasteful expenditure	6	16
Total	6	16

Additional information: During the period under review, the CPSI recorded two cases of fruitless and wasteful expenditure relating to missed flights amounting to R2 865.07 each. Both matters were referred to the Loss Control Committee and relate to different employees.

Additionally, the CPSI is investigating expenditure amounting to R23 228.54 relating to official travel undertaken for attendance at events in Dubai where travel arrangements could not be utilised as planned due to visa-related complications (R3 159) and travel documentation compliance-related complications (R20 070.00). The matter is currently under review by the relevant governance structures to determine whether any portion of the expenditure constitutes a recoverable loss and/or fruitless and wasteful expenditure in terms of the PFMA and Treasury Regulations. The final outcome of the investigation had not yet been concluded at the reporting date.

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	2025/26 R'000	2024/25 R'000
20. Related party transactions		
In kind goods and services provided/received		
• DPSA advises the CPSI on technical and procedural issues related to personnel security checks, vetting and security awareness.	-	-
• DPSA provides to the CPSI messenger services twice a week.	-	-
• DPSA provides to the CPSI technical and procedural advice in relation to information communication technology management.	-	-
• CPSI makes use of the virtual private network of the DPSA.	-	-
• DPSA provides to CPSI employee wellness services and assist the CPSI's labour relation practitioner with technical and procedural advice on matters relating to labour relations, when requested.	-	-
• DPSA assists the CPSI with technical and procedural advice in relation to human resource management and development, financial management and administration and supply chain management.	-	-
• DPSA provides to the CPSI internal audit and risk management services and legal services.	-	-
• DPSA provides CPSI with office accommodation and storerooms in the Batho Pele House building. The DPSA recovers a pro-rata amount for building lease from CPSI as indicated in the building lease with the Department of Public Works and Infrastructure.	-	-
• DPSA provides the CPSI with frontline receptions services, access security and after-hours security services, in the Batho Pele House building.	-	-
• CPSI utilises the DPSA's networks infrastructure installed in the Agrivaal/Batho Pele Building and server room on the 5th Floor.	-	-
Total	<u>-</u>	<u>-</u>

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

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

The shared office accommodation at Batho Pele House continues under a lease agreement between the DPSA and DPWI. CPSI contributes to lease costs on a pro rata basis. Although the lease has formally expired, a letter of intent has been submitted to renew it, and lease commitments are disclosed in Note 18 accordingly. During the period under review, all transactions and engagements with DPSA, NSG, OPSC, and GEMS were conducted at arm's length and in accordance with applicable public service governance frameworks.

21. Key Management personnel

	2025/26 R'000	2024/25 R'000
Note		
Executive Director	1,995	1,949
Executive Management	4,992	4,817
Total	<u>6,987</u>	<u>6,766</u>

Additional information During the period under review, the CPSI's Executive Director post was vacant. An Acting Executive Director was appointed in an acting capacity from within the organisation from February 2020 until the post is filled. Expenditure relating to four (4) key management personnel is disclosed.

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22. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2026

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and Equipment	11,026	-	333	-	11,359
Computer equipment	4,486	-	324	-	4,810
Furniture and office equipment	5,543	-	-	-	5,543
Other machinery and equipment	997	-	9	-	1,006
Finance Leases	42	-	38	-	80
Finance Leases	42	-	38	-	80
Total Movable Tangible Capital Assets	11,068	-	371	-	11,439

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

	Number	Value R'000
Machinery and equipment	-	-

Additional information: The additions include laptops, desktops, computer peripherals and photographic equipment amounting to R333 000.

22.1. Movement for 2024/25

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

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

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22.2. Minor assets

Movement in minor capital assets per the asset register for the year ended 31 March 2026

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of minor assets at cost	-	-	-	473	-	-	473
Total Number of Minor Assets	-	-	-	473	-	-	473

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

Movement in minor capital assets per the asset register for the year ended 31 March 2025

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

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

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23. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 March 2026

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	1,083	347	-	1,430
Total Intangible Capital Assets	1,083	347	-	1,430

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

23.1. Movement in intangible capital assets per asset register for the year ended 31 March 2025

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

Additional information: The additions include intangible asset acquisitions recognised in the asset register during the reporting period. An amount of R166 000 relates to prepayments made for intangible capital assets not yet received as at 31 March 2026 and has therefore not been included in expenditure disclosed in Note 6. The amount is disclosed separately in Note 8.1 under prepayments and advances.

24. Broad Based Black Economic Empowerment performance

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

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ANNEXURE 1A
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subsidies	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

ANNEXURE 1B
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of Organisation Received in kind	Nature of Gift, Donation or Sponsorship	2025/26 R'000	2024/25 R'000
Sponsorships			
Government Employees Medical Scheme	Sponsorship towards the 19th Public Sector Innovation Conference and DevCon	302	-
Huawei	Sponsorship towards the 19th Public Sector Innovation Conference and DevCon	88	-
Cocre8	Sponsorship towards the 19th Public Sector Innovation Conference and DevCon	33	-
Microsoft	Sponsorship towards the 19th Public Sector Innovation Conference and DevCon	70	-
Galeboe	Sponsorship towards the 19th Public Sector Innovation Conference and DevCon	38	-
Boxfusion	Sponsorship towards the 19th Public Sector Innovation Conference and DevCon	24	-
Meta	Sponsorship towards travel and accommodation costs relating to CPSI participation in the AI Summit	66	-
Government Employees Medical Scheme	Sponsorship towards the 2025 National Batho Pele and Innovation Awards Programme	180	-
United Nations	Sponsorship to attend and participate in the United Nations Public Service Forum	-	38
Amazon Web Services	Sponsorship for cloud services in support of testing and piloting digital solutions as well as for speakers and raffle gifts in the 18th Public Sector Innovation Conference	-	147
African Association for Public Administration and Management (AAPAM)	Sponsorship towards the travel expenses for the adjudication of the competition for the AAPAM awards for innovation management	-	18
Ikasi Solutions	Sponsorship towards exhibition counters in the Public Sector Innovation Conference	-	26
Government Employees Medical Scheme	Sponsorship towards the GEMS wellness in the 18th Public Sector Innovation Conference	-	80
Legal Interact	Sponsorship towards the speakers' gifts in the 18th Public Sector Innovation Conference	-	45

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Name of Organisation Received in kind	Nature of Gift, Donation or Sponsorship	2025/26 R'000	2024/25 R'000
Government Employees Medical Scheme	Sponsorship towards the GEMS Health Award category in the Annual CPSI Public Sector Innovation Awards Programme	-	137
Microsoft	Sponsorship towards digital solution testing support and conference-related stakeholder engagement initiatives for the 18th Public Sector Innovation Conference	-	73
Office of the Prime Minister Namibia	Sponsorship towards travel and accommodation costs relating to participation in the Public Sector Innovation Conference	12	-
Heineken Beverages	Sponsorship towards logistical hosting support for the Annual CPSI Public Sector Innovation Awards Programme	-	44
TOTAL SPONSORSHIPS		813	608

ANNEXURE 2
ANALYSIS OF PREPAYMENTS AND ADVANCES

Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Total contract value R'000	Balance outstanding as at 31 March 2025 R'000	Total amount prepaid / advanced in the current year R'000	Less: goods, services or capital assets received in the current year R'000	Add / (Less): Other R'000	Balance outstanding as at 31 March 2026 R'000
Prepayments									
Predicate Logistics	Private	Iqual Licence and Maintenance Support	Goods and services	158	-	158	(119)	-	39
Predicate Logistics	Private	Iqual Licence and Maintenance Support	Goods and services	144	36	-	(36)	-	-
DPSA	Public sector	Microsoft licences January 2025 to December 2025	Goods and services	854	641	-	(641)	-	-
DPSA	Public sector	Microsoft licences January 2026	Goods and services	763	-	763	(191)	-	572

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Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Total contract value R'000	Balance outstanding as at 31 March 2025 R'000	Total amount prepaid / advanced in the current year R'000	Less: goods, services or capital assets received in the current year R'000	Add / (Less): Other R'000	Balance outstanding as at 31 March 2026 R'000
Lusu Technologies	Private	to December 2026 Anydesk Software License	Capital assets	23	8	-	(8)	-	-
Lusu Technologies	Private	Adobe Sign Transaction	Goods and services	104	-	104	(26)	-	78
Bantubanathi Consulting	Private	Remote Installation	Capital assets	37	29	-	(12)	-	17
DPSA	Public Sector	Electronic signature license	Goods and services	7	-	7	(7)	-	-
Baikopela Trading and Projects cc	Private	Anydesk licence	Capital assets	50	-	50	-	-	50
Galeboe Professional Services	Private	Check Point software	Capital assets	120	-	120	(3)	-	117
Galeboe Professional Services	Private	Extended warranty	Goods and services	207	-	207	(6)	-	201
TOTAL PREPAYMENTS					714	1,409	(1,049)	-	1,074
Advances									
Mothiba N	Public Sector	AI Summit (travelling)	National departments	1	-	1	(1)	-	-
Lethole PM	Public Sector	AI Summit (travelling)	National departments	1	-	1	(1)	-	-
Ntshangase N	Public Sector	AI Summit (travelling)	National departments	1	-	1	(1)	-	-
Sefike M	Public Sector	APSD (travelling)	National departments	6	-	6	(6)	-	-
Ntombela M	Public Sector	APSD (travelling)	National departments	6	-	6	(6)	-	-

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Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Total contract value R'000	Balance outstanding as at 31 March 2025 R'000	Total amount prepaid / advanced in the current year R'000	Less: goods, services or capital assets received in the current year R'000	Add / (Less): Other R'000	Balance outstanding as at 31 March 2026 R'000
Chokoe P	Public Sector	Cyber Security (training)	National departments	13	-	13	(13)	-	-
Ntombela M	Public Sector	Cyber Security (training)	National departments	13	-	13	(13)	-	-
Sebokedi LM	Public Sector	AAPAM (travelling)	National departments	4	-	4	(4)	-	-
TOTAL ADVANCES					-	45	(45)	-	-
TOTAL PREPAYMENTS AND ADVANCES					714	1,454	(1,094)	-	1,074