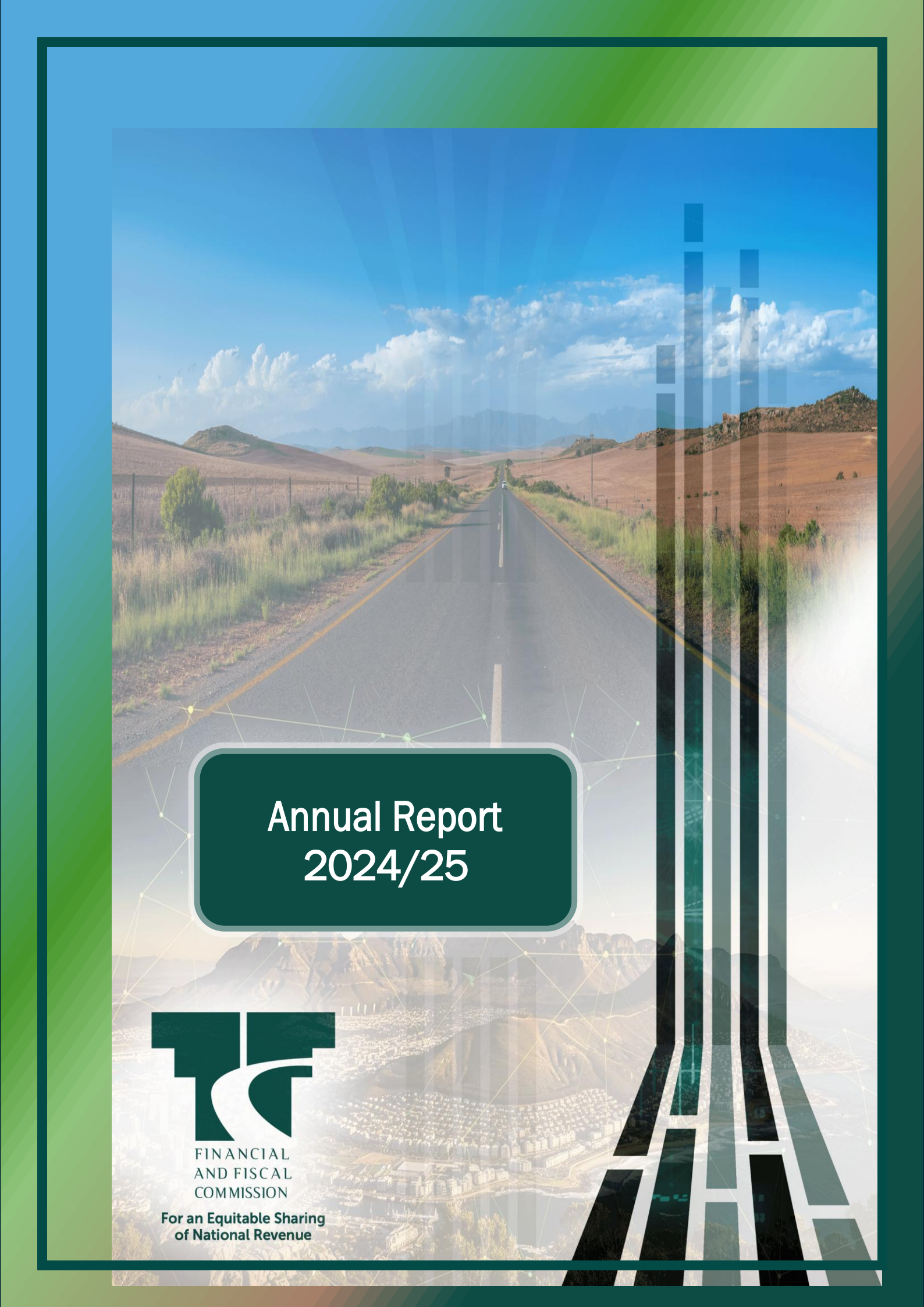




Annual Report 2024/25



FINANCIAL
AND FISCAL
COMMISSION

For an Equitable Sharing
of National Revenue



FINANCIAL
AND FISCAL
COMMISSION

Annual Report 2024/25

For an Equitable Sharing of
National Revenue

Financial and Fiscal Commission

**11th Floor
33 on Heerengracht Foreshore
Cape Town
8001**

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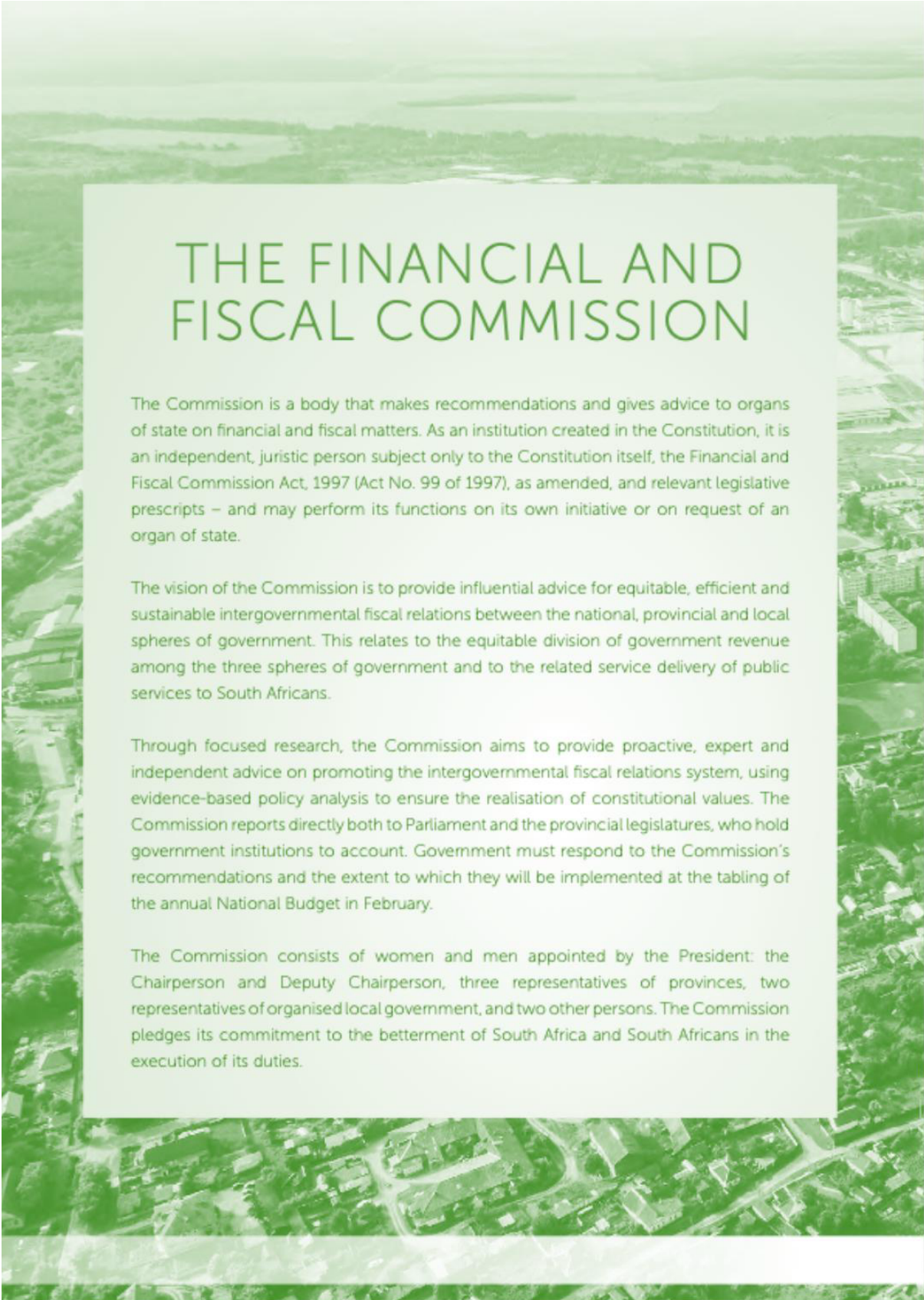
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LIST OF ACRONYMS



APP	Annual Performance Plan
ASB	Accounting Standards Board
B-BBEE	Broad-based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DPSA	Department of Public Service and Administration
FFC	Financial and Fiscal Commission (also referred to as the Commission) GRAP Generally Recognised Accounting Practice
ICT	Information and Communication Technology
IGFR	Intergovernmental Fiscal Relations
MEC	Member of the Executive Council
MTEF	Medium-term Expenditure Framework
PFMA	Public Finance Management Act
SCOPA	Standing Committee on Public Accounts
SITA	State Information Technology Agency
SMS	Senior Management Service



THE FINANCIAL AND FISCAL COMMISSION

The Commission is a body that makes recommendations and gives advice to organs of state on financial and fiscal matters. As an institution created in the Constitution, it is an independent, juristic person subject only to the Constitution itself, the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997), as amended, and relevant legislative prescripts – and may perform its functions on its own initiative or on request of an organ of state.

The vision of the Commission is to provide influential advice for equitable, efficient and sustainable intergovernmental fiscal relations between the national, provincial and local spheres of government. This relates to the equitable division of government revenue among the three spheres of government and to the related service delivery of public services to South Africans.

Through focused research, the Commission aims to provide proactive, expert and independent advice on promoting the intergovernmental fiscal relations system, using evidence-based policy analysis to ensure the realisation of constitutional values. The Commission reports directly both to Parliament and the provincial legislatures, who hold government institutions to account. Government must respond to the Commission's recommendations and the extent to which they will be implemented at the tabling of the annual National Budget in February.

The Commission consists of women and men appointed by the President: the Chairperson and Deputy Chairperson, three representatives of provinces, two representatives of organised local government, and two other persons. The Commission pledges its commitment to the betterment of South Africa and South Africans in the execution of its duties.

CHAIRPERSON'S FOREWORD

It is with great privilege that I table the Financial and Fiscal Commission's Annual Report, which covers the 2024/2025 financial year. This Annual Report is presented in terms of the provisions of section 220 of the Constitution, 1996; Sections 40 and 65 of the Public Finance Management Act, 1999; and Section 26 of the Financial and Fiscal Commission Act, 1997 (as amended). This has been an exceptional year in which the constitutional institution continued its trajectory of strengthening the effectiveness of the internal capacity available to the Commission. The Commission is steadfast on its journey of renewal that reimagines the FFC as South Africa's premier fiscal governance institution. As we navigate the road ahead, we do so with renewed purpose, strengthened foundations, and an unwavering commitment to our constitutional mandate.

"The recent strategic appointments of our Chief Executive Officer and Chief Financial Officer have demonstrably strengthened our operational framework, resulting in markedly improved audit outcomes."



I am pleased to report that the Commission maintained its previous audit outcomes and received an unqualified audit report. The recent strategic appointments of our Chief Executive Officer and Chief Financial Officer have demonstrably strengthened our operational framework, resulting in a markedly improved audit outcome. These leadership appointments represent a crucial step forward in our institutional development and have already begun to

yield positive dividends.

The 2025 Budget process was characterised by unprecedented complexity, uncertainty, marked by multiple re-tablings, extensive parliamentary deliberations, and heightened public scrutiny of fiscal policy decisions. In this challenging environment, the Financial and Fiscal Commission maintained an unwavering commitment to meaningful consultation and transparent engagement with all stakeholders. The Commission successfully provided crucial clarity and thought leadership during periods of confusion and ambiguity, leveraging various media communications to ensure that constitutional requirements for adequate consultation were fully met.

Through rigorous analysis, timely interventions, and comprehensive briefings to parliamentary committees, the Commission guided stakeholders through the intricacies of the correct budget process, reinforcing the fundamental principles of intergovernmental fiscal relations and ensuring that the voices of provinces and municipalities remained central to national fiscal deliberations. This steadfast approach not only upheld democratic governance principles but also demonstrated the Commission's vital role as an independent constitutional institution committed to promoting sound fiscal practices and equitable resource allocation across all spheres of government.

Our flagship Submission on the 2026/27 Division of Revenue has been successfully tabled in Parliament, emphasising the urgent need for "Sustainable development across the three fiscal spheres" as South Africa grapples with mounting challenges, including climate change, infrastructure backlogs, and rapid urbanisation.

The new five-year Strategic Plan under the government of national unity and the Annual Performance Plan were tabled timeously in compliance with all laws and regulations. These plans are invaluable in ensuring that the Commission and Secretariat have a clear understanding and direction on the way forward.

During the period under review, the Commission bid farewell to Deputy Chairperson Michael

"The Commission is steadfast on its journey of renewal that re-imagines the FFC as South Africa's premier fiscal governance institution. As we navigate the road ahead, we do so with renewed purpose, strengthened foundations, and an unwavering commitment to our constitutional mandate."



Commissioners Prof Fowler, Ms Letsatsi and Prof Erasmus with Chairperson Dr Mbava

Sachs, Commissioners Sikhumbuzo Kholwane and Elizabeth Rockman. The Commission welcomed back Commissioners Lourens Erasmus and Trevor Fowler for a second term and two new members joined the commission Ms Malijeng Ngqaleni and Ms Masefateng Doris "Kgomotso" Letsatsi.

The Commission expresses its gratitude to the erstwhile Acting CEO, Ms Ansuyah Maharaj-Dowra, for her invaluable contribution and strong leadership during the period under review, ensuring a smooth handover to the new permanent CEO. In conclusion, I express my gratitude to the Commissioners and the Secretariat for their unwavering support in ensuring that the Commission has fulfilled its constitutional mandate. Last, but not least, I thank our stakeholders who continue to hold the FFC in great stead and support our important mandate.



Dr Patience Nombeko Mbava

Chairperson

Financial and Fiscal Commission

Date: 31 August 2025



CHIEF EXECUTIVE OFFICER'S OVERVIEW



The 2024/2025 financial year represented a pivotal transformation period for the Financial and Fiscal Commission, establishing the foundation for sustained institutional excellence and operational resilience. Upon assuming the Chief Executive Officer role in September 2024, we implemented a comprehensive organisational renewal strategy to address critical capacity gaps and strengthen our capabilities to deliver on our constitutional mandate. The successful appointment of our Chief Financial Officer before year-end completed our executive leadership team reconstruction, fundamentally strengthening financial governance and strategic oversight mechanisms. This strategic positioning has enabled the Commission to refocus decisively on its constitutional obligations while building robust operational foundations for future growth and impact.

Our financial management approach during the transition period demonstrated prudent stewardship, with strategic expenditure allocation ensuring continued service delivery despite operational challenges.

Moving forward, the Commission is implementing an enhanced procurement autonomy framework that will significantly strengthen accountability and operational efficiency. Our supply chain management systems are being optimised through a revised SCM policy aligned with Public Procurement Act requirements, ensuring regulatory compliance and operational excellence.

The temporary reliance on external procurement evaluation support has provided valuable insights that are now being integrated into our enhanced internal SCM capabilities, creating a more resilient and self-sufficient procurement environment.

In response to the Auditor-General's findings from the previous year, a comprehensive audit action plan was developed and is being actively monitored through the Audit and Risk Committee.

"This strategic positioning has enabled the Commission to refocus decisively on its constitutional obligations while building robust operational foundations for future growth and impact."

"We have not merely navigated a transitional period—we have built the foundation for a more dynamic, resilient, and impactful constitutional institution positioned to lead fiscal governance excellence into the future."



Thulani Duncan Ntuli

**Chief Executive Officer
Financial and Fiscal Commission**

31 August 2025

practices across the organisation. No unsolicited bid proposals were concluded during the year under review, and all procurement activities adhered to established SCM protocols. Post-reporting date events have not materially affected the financial position of the Commission, and the entity remains economically viable. Looking ahead, the constitutional institution will continue to address operational challenges through improved planning, enhanced internal controls, and targeted capacity building. The dedication of our exceptional staff, the invaluable support of our stakeholders, and the strategic guidance of our Audit and Risk Committee have been instrumental on our ongoing journey of transformation. Together, we have not merely navigated a transitional period—we have built the foundation for a more dynamic, resilient, and impactful constitutional institution positioned to lead fiscal governance excellence into the future. The Financial and Fiscal Commission now stands stronger, more capable, and better positioned than ever to fulfil its constitutional mandate while driving meaningful change across South Africa's fiscal landscape.

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

The CEO, as 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, human resources information and annual financial statements. The Commissioners are responsible for the fiduciary governance of the Commission.

To the best of my knowledge, I confirm that the information and financial amounts presented in this annual report are consistent with the financial statements audited by the Auditor-General of South Africa.

The report has been prepared in accordance with the guidelines issued by the National Treasury. It is, to the best of my understanding, complete, accurate, and free from any material omissions. The Annual Financial Statements contained in Part F of the report comply with the applicable accounting standards governing public entities.

The Accounting Authority is responsible for preparing these financial statements and making the necessary judgments and estimates in their compilation. Furthermore, the Accounting Authority maintains a system of internal control designed to ensure the integrity and reliability of the entity's performance, human resources, and financial information.

The financial statements have been subjected to an independent audit, and the external auditors have provided their opinion on their fairness and compliance. In our view, this report provides a true and fair reflection of the public entity's operations, performance, human resources, and financial position for the financial year ended March 31, 2025.

Yours faithfully,



Thulani Duncan Ntuli

**Chief Executive Officer
Financial and Fiscal Commission**

31 August 2025

FINANCIAL AND FISCAL COMMISSION

11th Floor, 33 on Heerengracht
Heerengracht Street, Foreshore, Cape Town

[**www.ffc.co.za**](http://www.ffc.co.za)



**FINANCIAL
AND FISCAL
COMMISSION**

**For an Equitable Sharing
of National Revenue**

PART A: GENERAL INFORMATION



PART A: GENERAL INFORMATION

1. Constitutional and legislative mandate



The FFC is a constitutional institution established in terms of Section 220 of the Constitution of the Republic of South Africa Act, 1996, as amended. The FFC is mandated to make recommendations to Parliament, provincial legislatures and state organs on financial and fiscal matters as determined by national legislation

Its mandate is further enabled through the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997) (as amended), Borrowing Powers of Provincial Governments Act, 1996 (Act No. 48 of 1996), Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)(as amended), Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (as amended), Money Bills Amendment Procedure and Related Matters, 2009 (Act No. 9 of 2009), Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007), and Provincial Tax Regulation Process Act, 2001 (Act No. 53 of 2001).

2. Vision and Mission

OUR VISION

To provide influential recommendations for a just, equitable, efficient, and sustainable intergovernmental fiscal relations system.

OUR MISSION

To provide proactive, expert, and independent recommendations on promoting a just, sustainable, and equitable IGFR system, through evidence-based policy analysis to ensure the realisation of our Constitutional value.

3. Values

OUR VALUES



To enable the Commission to deliver on its mandate, it subscribes to the following values:

- **Professionalism**, which implies fairness and equal treatment, the free sharing of information, striving for quality, and time management.
- **Respect** for each other as colleagues and for the diversity of the workforce.
- **Empowerment** in employing policies to increase rather than stifle delegation, the tolerance of different views and ideas, and making resources available when required.
- **Trust**, which requires openness and transparency, humility, integrity, and honesty in all undertakings.
- **Teamwork**, which encourages cross-functional integration, voluntary mentorship and coaching, taking responsibility, and flexibility.
- **Innovation**, which allows intellectual space, provides systems to support innovation, and tolerates mistakes as opportunities for learning.

4. Outcomes, output indicators, targets, and actual achievements

In accordance with the 2024/25 Annual Performance Plan (APP), the Commission has formulated the following impact statement:

“Strengthened Financial and Fiscal management through research and making evidence-based recommendations to policy makers.”

- **Program 1: Administration**
- **Outcome 1:** A conducive corporate environment with sound financial controls of Commission resources for fulfilling its mandate.
 - Leading by example - implement our advice to public sector institutions regarding spending efficacy, operational functionality, and institutional efficiency.
 - Focusing the available resources to build research capacity, capability, and productivity to fulfil the Commission’s mandate.

- **Program 2: Research**

- **Outcome 2:** Evidence-based informed policy making through recommendations on financial and fiscal matters to the legislature.
 - Improving the fiscal system of South Africa through research and evidence-based policy-making recommendations.
 - Monitoring, analysing, and advising through recommendations on current economic and fiscal issues to inform the policy makers and the public.

5. Composition and organisational structure

Commission

The Commission comprises nine persons appointed by the President of the Republic of South Africa:

- Chairperson and Deputy Chairperson
- Three persons appointed after consultation with the Premiers from a list compiled in accordance with a process prescribed by the Financial and Fiscal Commission Act
- Two persons appointed after consultation with organised local government from a list compiled in accordance with a process prescribed by the Financial and Fiscal Commission Act, and the Organised Local Government Act, 1997 (Act No. 52 of 1997)
- Two other persons

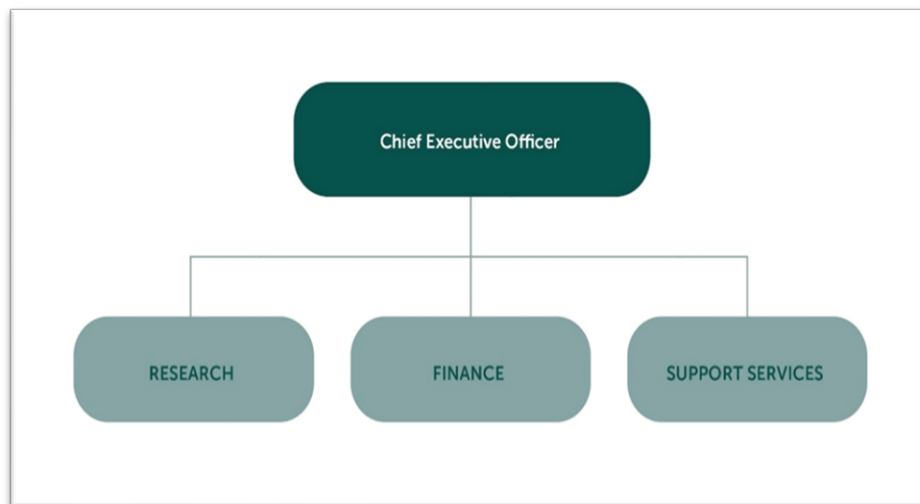
The Chairperson's appointment is full-time, whereas the other Commissioners, including the Deputy Chairperson, are appointed on a part-time basis. Commissioners are appointed in terms of section 221 of the Constitution and section 5 of the Financial and Fiscal Commission Act. Commissioners must have appropriate experience and are appointed for a term not exceeding five years, which is renewable for a further term.

The President, by notice in a Government Gazette, after taking into consideration the Recommendations of the Independent Commission for the Remuneration of Public Office Bearers and the National Assembly, proclaims the remuneration, allowances, and other benefits of Commissioners.

Secretariat

Headed by the Chief Executive Officer, who is also the Accounting Officer, the Commission is committed to transparency, accountability, efficiency and effectiveness, and the practical application of these principles to enable delivery against the Commission's constitutional mandate.

Organogram



PART B: PERFORMANCE INFORMATION



PART B: PERFORMANCE INFORMATION

The Commission's annual submission for the division of revenue, with recommendations

The Financial and Fiscal Commission (FFC) tables the Submission for the Division of Revenue in terms of section 214(1) of the Constitution of the Republic of South Africa, 1996 (as amended), section 3 of the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997), section 9 of the Intergovernmental Fiscal Relations (IGFR) Act, 1997 (Act No. 97 of 1997)

and section 4(c) of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009) (as amended). The FFC is an independent, juristic constitutional institution that reports directly to Parliament and the provincial legislatures.



In terms of section 9 of the IGFR Act, ten months before the tabling of the Budget, the Financial and Fiscal Commission tabled its submission with recommendations for the 2025/26 Division of Revenue at a time when the economy needs a constructive response to solve the challenges of low growth and high unemployment. The Commission's research was prompted by the need for productivity growth in the public sector. This will assist the public sector in investing in and developing critical skills, innovations, and infrastructure at the

national, regional, and local level of government. Improving the services of the public sector will not only help businesses grow, but can also create jobs, higher wages, and improved living standards.

Although productivity may seem like an abstract concept, it has significant implications for every one of the country's citizens. The speed at which any economy grows is chiefly shaped by the efficiency of the workforce, which is shaped by the resources and quantity of labour assigned. Regular healthcare, education, and infrastructure investments are essential to achieve higher productivity and growth. The public sector can therefore benefit significantly from productivity improvement. The Commission's submission therefore addresses public sector productivity as a propeller of economic growth under the overarching theme of public sector productivity and economic growth. It focuses on six specific areas: the best international practices to enhance public sector performance, rail transport, smallholder farmers, judicial reforms, healthcare delivery, and local governance.

The Commission's research has led to the following key findings:

- **Improving public sector performance:** There is a desperate need to comprehensively overhaul the South African public sector's performance management system. This entails looking outside South Africa's borders for potential solutions and strategies, as the international perspective has much to offer in addressing these problems. Factors and tactics were explored that have led the public sector to thrive in various nations. By delving into how different countries have successfully tackled public sector administration issues, the Commission suggests several policy measures based on international case studies and evaluates South Africa's public service capabilities against those of several high-income and upper-middle-income countries.

- **Improving the productivity of rail transport:** The Commission examined the factors that have led to the decline in the productivity of South Africa's railways and how these are linked to intergovernmental fiscal relations. In particular, it examined avenues for invigorating the sector and re-establishing its economic significance. It did this by analysing the state of regulations, the institutions and the rail service delivery model in South Africa, together with ways to grow the number of passengers and freight rail. In addition, it assessed existing measures to advance rail efficiency in South Africa, and proposed solutions the country could adopt based on international best practices.
- **Improving the support provided to smallholder farmers:** The performance of the agricultural sector is critical to economic growth, employment and rural development. While the sector has demonstrated remarkable resilience in the face of challenges like loadshedding and the COVID-19 pandemic, there is an opportunity to further enhance productivity and transformation in the agricultural sector by focusing on the performance of smallholder farmers. The Commission therefore evaluated existing support mechanisms for South African smallholder farmers and explored the potential of precision farming techniques to further enhance the efficiency of this cohort of farmers.
- **Improving the efficiency of the judicial system:** Institutions play an important role in promoting economic growth. The judicial system is critical in this regard. A solid rule of law, backed by an efficient judiciary, is essential to generate a favourable business setting. Business confidence leads to increased economic activity, thus boosting economic growth. From this viewpoint, the Commission investigated the efficiency of South Africa's judicial system. Its research centred on enhancing the effectiveness and overall output of South Africa's judicial system by spotlighting critical issues and testing the system's efficiency. Moreover, it deliberated on the configuration and operations of highly efficient legal frameworks and distilled lessons for South Africa.
- **Improving the efficiency of healthcare provision:** Assessing efficiency in South Africa's healthcare industry is vital to developing the public sector's productivity and enhancing growth. A more efficient healthcare system can significantly uplift economic growth by optimising resource allocation, carefully controlling costs, improving health outcomes, optimising investment capital, and nurturing human capability. This assertion provided the background to the Commission's examination of the allocation of resources and productivity outcomes within the district hospital system. Its research clarified the understanding of the determinants of efficiency and provided insight into how efficiency within the sector can be improved. Its research additionally measured the degree of medico-legal claims, evaluated their effect on local healthcare funds, and examined initiatives undertaken in response to the expansion of medico-legal claims. Finally, it assessed and analysed the budget and expenditure performance of the National Health Insurance (NHI).
- **Improving the efficiency of local government:** The efficiency and performance of South Africa's public sector are heavily contingent upon the effectiveness of local government. When local governments are managed effectively, services can be delivered more efficiently, resources can be allocated more strategically, and policies can be implemented more effectively, directly improving the public sector's overall productivity. In addition, driving economic growth requires a productive and efficient local government to improve the productivity of the public sector. This requires municipalities to deliver services and infrastructure effectively and efficiently. They must provide a favourable environment for economic activities to flourish. Against this backdrop, the Commission estimated municipal productive efficiency and the determinants of local government productive efficiency in South Africa.

Number of Policy Briefs published

Ten Policy Briefs were published on the FFC's website for the 2025/26 Submission for the Division of Revenue in the 2024/25 financial year, available at <https://www.ffc.co.za/policy-brief-1>

Number of Technical Reports published

One Technical Report was published on the FFC's website for the 2025/26 Submission for the Division of Revenue. The report is available at www.ffc.co.za/technical-report-1.

Submission on the Government's 2024 Medium-term Budget Policy Statement

The Submission on the Medium-term Budget Policy Statement is made to the relevant Standing and Select Committees on Finance and Appropriation around October/November every year in terms of Part 1(3) of the Financial and Fiscal Commission Act, and section 4(4c) of the Money Bills Amendment Procedure and Related Matters Act. The FFC's submission follows the Minister of Finance's presentation of the Medium-term Budget Policy Statement and provides the Commission's stance on the policy statement, which the FFC presents to Parliament.

The Commission tabled its Medium-term Budget Policy Statement submission at the Joint Meeting of Standing and Select Committees on Appropriations and Finance on the Revised Fiscal Framework, Division of Revenue Amendment Bill 2024/25, and Adjustments Appropriation Bill.

Submission on the Government's 2024 main budget: Submissions on the Appropriation and Division of Revenue Bills

Submissions on the 2024 main budget, in terms of the Appropriation and Division of Revenue Bills. The purpose of these Bills is to appropriate money from the National Revenue Fund for the requirements of the state for the 2024/25 financial year; and to provide for matters incidental thereto.





Deputy Speaker of the National Assembly, Dr Annelie Lotriet, with Financial and Fiscal Commission commissioners

The Deputy Speaker of the National Assembly, Deputy Speaker Dr Annelie Lotriet, addressed the Research Lekgotla on 'sustainable development across the three fiscal spheres of government'. She stated that the theme resonates deeply with South Africa's journey towards a more equitable and prosperous future. The following was highlighted by the Deputy Speaker -

- The Research Lekgotla underscores the critical role of experts and stakeholders in deliberating on crucial issues related to intergovernmental, fiscal federalism, and sustainable development in South Africa. She looked forward to the application of funds across all spheres of government and expressed appreciation on the Commission's role, which is that of equitable distribution of resources.
- The government of National Unity and the emergence of shared national interests were discussed. The Deputy Speaker stated that "The GNU's commitment to drive inclusive growth, reduce poverty, and build a capable, ethical, and developmental state aligns with our shared national interests".
- The Deputy Speaker proposed a greater focus on evidence-based research as carried out by the FFC, proposed alignment with the sustainable development goals, and mobilising finance for climate action- Matters which the FFC could play a role in.

	Date	Name of Stakeholder	Purpose
1	13 May 2024	Southern African Development Community	To present to the SADC on South Africa's Fiscal System and the FFC
2	25 June 2024	Gauteng Legislature	Orientation of newly elected members of the Gauteng Legislature
3	02 July 2024	Parliament	Orientation and induction of members of Parliament.
4	16 July 2024	Parliament	Invitation to brief the Standing Committee on Appropriations on the Appropriation Bill for the 2024/25 Financial Year
5	17 July 2024	Parliament	Invitation to brief the Select Committee on Appropriations on the Appropriation Bill [B5-2024]
6	06 August 2024	Gauteng Legislature	Oversight Committee on the Premier's Office and the Legislature to strengthen the oversight and scrutiny mandate of the Legislature
7	12 August 2024	Department of Cooperative Governance (DCoG)	Working Group Review of Remuneration for Senior Managers
8	12 August 2024	Gauteng Legislature	Oversight Committee on the Premier's Office and the Legislature to strengthen the oversight and scrutiny mandate of the Legislature
9	13 August 2024	Mpumalanga	To brief the Mpumalanga legislature on the 2025/26 Division of Revenue Submission
10	20 August 2024	Parliament	To brief the Standing Committee on Appropriations' Member Orientation Workshop
11	20 August 2024	Parliament	To take part in the Whips and Chairpersons Workshop
12	21 August 2024	Parliament	To present to the Standing Committee on Finance Induction workshop
13	22 August 2024	Municipal Demarcation Board	Presentation to the Municipal Demarcation Board's Strategy Planning Session
14	22 August 2024	South African Local Government Association	Commission consultation meeting on the Local Government Salary and Wage Negotiations 2024/25
15	27 August 2024	Parliament	To brief the Standing Committee on Appropriations on the 2025/26 Division of Revenue
16	29 August 2024	Eastern Cape Legislature	To brief the Eastern Cape Legislature on the 2025/26 Division of Revenue
17	30 August 2024	Western Cape Legislature	To induct members of the 7th Parliament Western Cape
18	04 September 2024	Parliament	To induct and brief the Select Committee on Appropriations
19	10 September 2024	Parliament	Parliament Funding Model
20	11 September 2024	Parliament	To brief the Select Committee on Appropriation on the 2025/26 Division of Revenue
21	12 September 2024	International Monetary Fund	Responding to the Invitation to the National Treasury Fiscal Anchor Consultation Meeting
22	17 September 2024	Parliament	To brief the Standing Committee on Appropriations on the Equitable Share Formulas
23	18 September 2024	Western Cape Legislature	The Financial and Fiscal Commission meets with the Committee to engage it on the following matters: 1. Introduction of the Financial and Fiscal Commission, including its relationship with the Budget Committee. 2. Briefing by the Financial and Fiscal Commission on the 2025/26 Submissions for the Division of Revenue.

24	20 September 2024	Demarcation Board	Presentation to the Municipal Demarcation Board's Research Workshop
25	26 September 2024	South African Local Government Association	Celebrating 30 years of democracy towards Women's Development in Local Government - Gender-Responsive Budgeting and Implementation
26	01 October 2024	Gauteng Legislature	Responding to the request for a meeting on Municipal Powers and Functions
27	02 October 2024	International	The United Nations Office of the High Commissioner for Human Rights is to have a discussion on the concept of a human rights economy as a vehicle for addressing inequality in South Africa.
28	03 October 2024	Free State Legislature	To brief the Free State Committee on the Annual Submission on the Division of Revenue 2025-26
29	10 October 2024	Eastern Cape Legislature	Workshop for members of the Eastern Cape Standing Committee on Budget and Money Bills and Oversight Staff to Facilitate Implementation of the Eastern Cape Money Bills Amendment Procedure and Related Matters Act.
30	15 October 2024	National Treasury	Meeting with the Deputy Minister of Finance
31	15 October 2024	Parliament	To brief the Portfolio Committee on Basic Education on the Annual Report of the Department of Basic Education (DBE) and its Entities (Umalusi and SACE). This process culminates in the adoption of a Budget Review and Recommendation Report (BRRR) by the Portfolio Committee.
32	15 October 2024	Parliament	To brief the Committee on its analysis of the National Department of Health, Provincial Departments, and entities (Health Sector) annual reports for the 2023/24 financial year.
33	17 October 2024	Gauteng Legislature	Oversight Committee on the Premier's Office and the Legislature to strengthen the oversight and scrutiny mandate of the Legislature
34	25 October 2024	North West Legislature	To brief the North West legislature on the 2025/26 Division of Revenue Submission
35	05 November 2024	Gauteng Legislature	To brief the Gauteng legislature on the 2025/26 Division of Revenue Submission
36	05 November 2024	Parliament	To brief the Joint Meeting of the Standing and Select Committees on Appropriations and Finance on the 2024 MTBPS, focusing more on the revised Fiscal Framework.
37	08 November 2024	Gauteng Legislature	Oversight Committee on the Premier's Office and the Legislature to strengthen the oversight and scrutiny mandate of the Legislature
38	13 November 2024	Parliament	Invitation to comment on the 2024 Division of Revenue Amendment Bill, 2024 Adjustments Appropriation Bill and 2024 Special Appropriation Bill
39	18 November 2024	International	International Monetary Fund Article IV Consultation and the FFC
40	19 November 2024	Northern Cape Legislature	To brief the Northern Cape legislature on the 2025/26 Division of Revenue Submission
41	19 November 2024	Parliament	To make oral and written submissions to the Select Committee on Appropriations on the Division of Revenue Amendment Bill [B13 – 2024].

42	26 November 2024	Parliament	To brief the Portfolio Committee on Cooperative Governance and Traditional Affairs on the issue of local government financing to ensure a meaningful briefing to the Malawian delegation.
43	27 November 2024	Free State Legislature	To brief the Committee on the Division of Revenue Amendment Bill
44	28 November 2024	Gauteng Legislature	To make a presentation submission on the 2024 Division of Revenue Amendment Bill.
45	29 November 2024	International	To present on the South African fiscal system and the FFC to the Kenyan Commission on Revenue Allocation Delegation
46	10 December 2024	Parliament	Funding Model for Parliament
47	11 December 2024	All	Research Lekgotla 2024
48	11 February 2025	Gauteng Legislature	Oversight Committee on the Premier's Office and the Legislature to strengthen the oversight and scrutiny mandate of the Legislature
49	14 February 2025	Minister of Finance	Intergovernmental Fiscal Relations Act Consultation on the 2025 DORB
50	17 February 2025	Local Government	Harry Gwala Municipality, Women's Commission Strategy Session briefing on Gender Responsive Budgeting.
51	18 February 2025	International	Uganda Local Government Finance Commission of Uganda Delegation's visit to the FFC.
52	18 March 2025	Parliament	To brief the Committees on Finance and Appropriations on the 2025 national budget
53	25 March 2025	Parliament	to comment on the 2025 Division of Revenue Bill to the Standing Committee on Appropriation.

STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

The Chief Executive Officer is responsible for the preparation of the Commission's performance information and for judgements made on this information. This involves establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

The Auditor-General performs the necessary audit procedures on the performance information to provide assurance on audit conclusions. The audit conclusion on the performance against predetermined objectives is included in the report to management. In my opinion, and as corroborated by the Auditor-General, the performance information fairly reflects the operations of the Commission for the financial year ended 31 March 2025.



Thulani Duncan Ntuli

**Chief Executive Officer
Financial and Fiscal Commission**

31 August 2025

6. Performance against predetermined objectives for the 2024/25 financial year

PERFORMANCE INDICATOR		ANNUAL TARGET	TARGET ACHIEVED	VARIANCE
		2024/25	TO DATE	EXPLANATION
Program 1: Administration				
Outcome 1: A conducive corporate environment with sound financial controls of Commission resources for fulfilling its mandate				
Output: Human Resource Management, ICT support, Audit Opinion, Compliance and Risk, Procurement management				
1.1.1	Percentage spend on training and development budget.	>=90%	>65%	Due to vacancies, it was impossible for us to implement training plan.
1.1.2	Number of quarterly reports on monitoring of the recruitment plan and the Employment Equity Plan implementation	4	4	
1.2.1	Number of quarterly ICT reports	4	4	
1.3.1	Audit Opinion obtained.	Unqualified audit opinion with >=30% fewer findings than the previous year	n/a	Audit opinion will be obtained at the end of the audit.
1.3.2	Percentage of valid invoices paid within 30 days of acceptance	100%	99%	
1.3.3	Number of compliance reports generated and submitted to the Accounting Officer	4	4	
1.3.4	Number of risk management reports generated and submitted to the Accounting Officer, corroborating the audit improvement plan.	4	4	
1.3.5	Percentage of Procurement processes completed within 6 months of requisition, in line with the procurement plan.	>=90%	>=85%	To be addressed at year end, in line with the procurement plan.
1.3.6	Number of quarterly reports	4	4	

PERFORMANCE INDICATOR		ANNUAL TARGET 2024/25	TARGET ACHIEVED TO DATE	VARIANCE EXPLANATION
Program 2: Research				
Outcome 2: Evidence-based informed policymaking through recommendations on financial and fiscal matters to the legislature.				
Outputs: Annual Submission, Technical Report, Policy Briefs, MTBPS, DoR Bill and Appropriation Bill submissions, Briefings and Special Projects				
2.1.1	Annual Submission for Division of Revenue with Recommendations tabled	1	1	
2.1.2	Technical Research report regarding the Annual Submission published	1	1	
2.1.3	Number of Policy Briefs published	>=10	10	
2.1.4	Submission on the Medium-Term Budget Policy Statement submitted	1	1	
2.1.5	Submission on the Division of Revenue Bill submitted	1	1	
2.1.6	Submission on the Appropriation Bill submitted	1	1	
2.2.1	Number of briefings and presentations made	>=20	54	

Key Performance Highlights 2024/2025

Transformative Year of Strategic Engagement

The 2024/2025 financial year marked an exceptional period of strategic engagement for the Financial and Fiscal Commission, demonstrating our renewed commitment to constitutional mandate fulfilment through comprehensive stakeholder collaboration and expert advisory services. Our extensive engagement calendar reflected the Commission's pivotal role in South Africa's fiscal governance landscape, with over 50 strategic interventions across national, provincial, and international platforms.

Contribution to Parliamentary Oversight

The Commission demonstrated exceptional parliamentary engagement throughout the year, providing critical expertise during South Africa's budget processes. Our comprehensive briefings to both Standing and Select Committees on Appropriations on the 2025/26 Division of Revenue and the 2024 Medium Term Budget Policy Statement positioned the FFC as an indispensable partner in fiscal policy formulation.



Engaging with Standing Committee on Appropriations MP's(l-r) Hon MS Lekganyane, ANC, Hon NA Gcaleka-Mazibuko, ANC, Hon AG Bateman, DA

The Commission's analytical contributions to the 2024 Division of Revenue Amendment Bill, 2024 Adjustments Appropriation Bill, and 2024 Special Appropriation Bill showcased our technical expertise in real-time fiscal policy development. Our strategic presentation on the revised Fiscal Framework during the joint meeting of Standing and Select Committees on Appropriations and Finance reinforced our position as the authoritative voice on intergovernmental fiscal relations.

New MPs and MPL's Induction and Parliamentary Capacity Building

Recognising the importance of legislative capacity, the commission played a pivotal role in the orientation and Induction of newly elected parliamentary members of Parliament following the 2024 elections. Our comprehensive briefings during the member orientation workshops, whips and chairpersons' workshops, and committee Induction sessions contributed significantly to parliamentary fiscal literacy and oversight capacity.

Provincial Legislature Engagement and Capacity Development

The Commission's provincial engagement strategy yielded remarkable results, with successful briefings delivered to eight of South Africa's nine provincial legislatures. Our systematic presentation of the 2025/26 Division of Revenue submissions to Gauteng, Eastern Cape, Western Cape, Free State, Northern Cape, Northwest, and Mpumalanga legislatures ensured a comprehensive provincial understanding of fiscal policy implications.



The specialised workshop delivered to Eastern Cape Legislature members on Money Bills Amendment Procedures exemplified our commitment to building provincial legislative capacity for enhanced fiscal oversight and scrutiny

Global Knowledge Sharing

Our presentations to the Kenyan Commission on Revenue Allocation delegation and hosting of the Uganda Local Government Finance Commission delegation demonstrated the Commission's growing reputation as a global centre of excellence for fiscal decentralisation expertise. Uganda Local Government Finance Commission Visit: Strategic Knowledge Exchange

High-Level Delegation and Strategic Partnership

In February, the Financial and Fiscal Commission hosted a distinguished 13-member delegation from the Uganda Local Government Finance Commission, marking a significant milestone in South-South cooperation and knowledge sharing in fiscal federalism. The delegation was led by the Chairman of the Uganda Local Government Finance Commission, Hon Isaac Isanga Musumba-Commission Chairman, and Hon. Mariam Patience Nalubega, Commission Vice Chairperson. The discussions explored the

role of the FFC in advising the South African government on national revenue distribution and fiscal policies, providing the Ugandan delegation with insights into South Africa's unique constitutional framework for fiscal oversight. This exchange highlighted the FFC's strategic position as the only constitutional institution tasked with protecting fiscal interests and demonstrated our systematic approach to evidence-based policy recommendations. A key focus area also involved sharing best practices in managing conditional and unconditional grants, where South Africa's sophisticated intergovernmental transfer system served as a model for enhancing Uganda's own fiscal decentralisation efforts.

This high-level knowledge exchange reinforced the FFC's position as a continental leader in fiscal federalism expertise while establishing foundations for ongoing South-South cooperation. The visit demonstrated the global relevance of South Africa's fiscal governance innovations and the FFC's capacity to contribute to international development through technical expertise sharing.



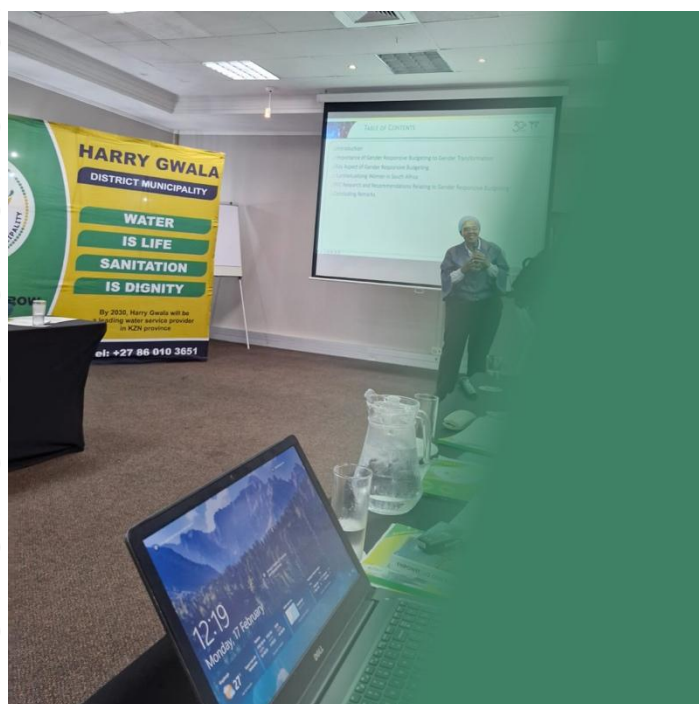
Chairman of the Uganda Local Government Finance Commission Hon Isaac Isanga Musumba- led the delegation to the FFC to share best practice.

Consultation with IMF

The Commission's participation in the International Monetary Fund Article IV Consultation and National Treasury Fiscal Anchor Consultation Meeting reflected our integration into global fiscal policy discussions. Our engagement with the United Nations Office of the High Commissioner for Human Rights on human rights economy concepts demonstrated our commitment to addressing inequality through fiscal policy innovation.

Gender-Responsive Budgeting Thought Leadership

Our groundbreaking work on gender-responsive budgeting culminated in presentations to both the South African Local Government Association's 30 Years of Democracy celebration and the Harry Gwala Municipality Women's Commission Strategy Session. These engagements positioned the FFC as a leader in promoting inclusive fiscal policy development at the local level.



Commission Chairperson Dr Nombeko Mbava, presented FFC research and thought leadership on gender responsive budgeting to Mayors and Councillors at the Harry Gwala District Municipality Strategic Session

IMF Article IV Consultation: Strategic International Engagement

The Financial and Fiscal Commission's participation in the International Monetary Fund's Article IV consultation represented a significant milestone in our international engagement and recognition as a key stakeholder in South Africa's fiscal governance architecture. Building on our historical engagement with the IMF, this resuscitated consultation process marks an important renewal of strategic dialogue that had been established in previous years. The consultation mission provided a strategic platform for the FFC to contribute to global economic policy discussions while showcasing our constitutional mandate and technical expertise, reinforcing our position as an integral voice South Africa's fiscal policy landscape. Mission Chief to South Africa, Delia Velculescu, and her delegation met with the Commission, led by Dr Nombeko Mbava

Strategic Discussion Framework and International Recognition



The comprehensive engagement with the IMF mission team centred on four critical areas that demonstrate the FFC's integral role in South Africa's fiscal policy landscape. The discussions covered our constitutional mandate and institutional excellence, showcasing our unique position as South Africa's only institution specifically tasked with protecting fiscal interests. The review of existing fiscal frameworks, macro-forecasting challenges, and risk assessment highlighted our analytical capabilities and deep understanding of South Africa's complex fiscal environment. Furthermore, our exploration of transitioning to a rules-based fiscal framework positioned the FFC at the forefront of fiscal policy innovation, while discussions on our potential enhanced role in compliance and monitoring demonstrated our institutional capacity for strengthened oversight and accountability functions.

IMF Mission Chief to South Africa Delia Velculescu and her delegation met with the Commission led by Dr Nombeko Mbava



IMF Mission Chief to South Africa Delia Velculescu and her delegation met with the Commission led by Dr Nombeko Mbava

The IMF's engagement with the FFC during this high-level consultation reflects significant international recognition of our institutional importance and technical expertise, positioning the Commission as a credible interlocutor with global financial institutions on fiscal policy and governance matters. This strategic dialogue provided invaluable opportunities for knowledge exchange, allowing us to share South African perspectives on fiscal federalism while gaining insights into international best practices and emerging governance trends. The consultation reinforced our position as a trusted voice in South Africa's fiscal policy landscape while contributing to enhanced international confidence in our fiscal governance systems, demonstrating our unwavering commitment to transparency, accountability, and alignment with international standards. The IMF Article IV consultation engagement exemplifies the re-imagined FFC's growing international profile and our capacity to contribute meaningfully to global discussions on fiscal governance, positioning South Africa's fiscal institutions as credible and technically competent partners in the international economic community.



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PART C: CORPORATE GOVERNANCE



PART C: CORPORATE GOVERNANCE

Commission

Dr Patience Nombeko Mbava (Chairperson) **(17 August 2021 to 16 August 2026)**

Dr. Patience Nombeko Mbava is a distinguished leader and expert in fiscal governance, public policy, and economic development. Under her stewardship, the Financial and Fiscal Commission has evolved into a preeminent thought leader in South Africa's fiscal landscape, providing critical recommendations that shape the nation's intergovernmental fiscal relations. Dr. Mbava holds a PhD in Public and Development Management and an MBA from Stellenbosch University, complemented by a Bachelor of Arts in Economics from Smith College (USA). Her academic excellence is matched by over 20 years of strategic leadership experience spanning both public and private sectors. Beyond her FFC leadership, Dr. Mbava serves as a Council Member for the South African Council for Medical Schemes. She is also an evaluation advisor to the United Nations Development Program and a Brand Ambassador for the Stellenbosch Business School Alumni Association Future Fund. Dr. Mbava has held various senior management and executive positions at both the public and private sectors - including the Technology Innovation Agency, South African National Space Agency, Sasol Oil, Chevron South Africa, BP Southern Africa - reflecting her versatility and strategic acumen across diverse organisational contexts.



Mr. Michael Sachs (Deputy Chairperson) (26 May 2020 to 25 May 2025)

Michael Sachs is an Adjunct Professor at the Southern Centre for Inequality Studies at the University of the Witwatersrand (Wits), where he leads the centre's research projects on Public Economics and Fiscal Policy. He teaches Public Economics and Policy Analysis at the Wits Schools of Economics and Finance and the Wits School of Governance. Prior to joining Wits, he worked in public policy and political strategy in South Africa for over 25 years. He is a former head of the Budget Office of the National Treasury. Prior to this, Michael Sachs worked at the headquarters of the African National Congress for more than a decade, where he coordinated economic policy development and led the party's research agenda. His research interests include public economics, macro and international economics, and social policy.

Prof Lourens Jacobus Erasmus (1 April 2019 to 31 March 2024) (18 September 2024 to 17 September 2029)



Prof Erasmus holds a D Tech Cost and Management Accounting (TUT); M Tech Cost and Management Accounting (Tech PTA); a B Tech Finance and Accounting (Public) (cum laude) (Pretoria Technikon); and a National Diploma in Government Finance (cum laude) (Pretoria Technikon). Prof Erasmus is currently a Professor in Financial Governance at Unisa, where he is primarily involved with research. He is a rated researcher by the National Research Foundation and has several national and international publications focusing on public sector financial governance and internal auditing.

Prof Erasmus is the Editor-in-Chief of the DHET-accredited academic journal, Southern African Journal of Accountability and Auditing Research, and Associate Editor of the Scopus-listed South African Journal of Accounting Research. He chairs the Education Committee of the Southern African Institute of Government Auditors, chairs the Unisa College of Accounting Science's Research Ethics Review Committee, and is the Treasurer of the Research Ethics Committee

Association of South Africa. He is the leader of the registered Engaged Scholarship projects, Research on Audit Committees South Africa (RACSA), and Continuous Auditing for Public Sector Internal Auditing (CAPIA). Prof Erasmus is a member of the Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO), the Southern African Accounting Association (SAAA), and the Research Ethics Committee Association of South Africa (REASA).

Prof Trevor Fowler (1 April 2019 to 31 March 2024) (26 November 2024 to 25 November 2029)



Prof Fowler is a Visiting Adjunct Professor at the University of Witwatersrand (Wits) School of Governance and was the Interim CEO of Alexkor SOC until 31st March 2025. He serves on the boards of the Trevor Huddleston Memorial Centre and, previously, the Tirisano Construction Fund until October 2024. He is a graduate civil engineer of the University of Manitoba in Canada. He has more than 50 years' experience in civil engineering research, design, construction, project management, political and administrative leadership, management, negotiations, governance, community, national, and international stakeholder management, and water supply planning and development.

Prof Fowler was the City Manager/CEO of the City of Johannesburg until December 2016. Previously, he was an Executive Director of Murray and Roberts and Head of the SADC Construction Cluster responsible for subsidiary companies in South Africa, Botswana and Zimbabwe, the

Chief Operations Officer and Accounting Officer/Deputy Head of the South African Presidency under Presidents Mbeki, Motlanthe and Zuma, Advisor to Premier Mbhazima Shilowa, the MEC of Development Planning and Local Government and Leader of the House, Speaker of the Gauteng Legislature, Head of the Transition Management Team and Advisor to first Minister of Water Affairs and Forestry, Hon Kader Asmal. He served on the boards of the Development Bank of Southern Africa (DBSA) and the Institute for Local Government Research, as well as the Health Systems Trust.

Prior to the democratic government in 1994, Prof. Fowler was a research officer and lecturer at Wits' Faculty of Engineering, a member of the National Local Government Negotiating Forum (LGNF), which negotiated transitional arrangements for CODESA, and a member of the Technical Committee of CODESA to demarcate the Provincial Boundaries.

Ms. Masefateng Dorcas Letsatsi (26 November 2024 to 25 November 2029)



Ms. Masefateng Dorcas Letsatsi (also known as Khomotso Letsatsi) is a highly accomplished public finance and development expert with over 26 years of experience in the public sector. She has served in senior roles across key national and local institutions, including the City of Johannesburg, National Treasury, the South African Local Government Association, and the Public Investment Corporation.

Currently, she is the Executive Head for the Lanseria Smart City Project Management Office (PMO) at the Gauteng Growth and Development Agency. Her responsibilities include establishing the PMO, shaping the Lanseria Hi-Tech Special Economic Zone (SEZ), developing smart city strategies, and leading efforts on bulk infrastructure financing.

Previously, she was a Senior Municipal Finance Expert at the United Nations Capital Development Fund, where she advanced local development and infrastructure finance projects globally. She also held the position of Chief Officer: Municipal Finance, Fiscal Policy and Economic Growth at SALGA, where she championed reforms to strengthen municipal fiscal sustainability and local economic development.

Her tenure at the City of Johannesburg, spanning a decade, included serving as Group Treasurer, where she pioneered the issuance of South Africa's first municipal commercial paper and the first listed municipal Green Bond, which earned the C40 Cities Climate Leadership Group Innovation Award in 2014. Khomotso has also worked as an independent consultant, advising institutions such as: United Nations Capital Development Fund on Municipal Investment Finance, Gauteng Partnership Fund on Mega Project Bulk Infrastructure Financing, Development Bank of Southern Africa on product innovation, and the Inter-Ministerial Task Team on Electricity Distribution, as a member of its advisory panel.

She has held numerous governance roles, including Chairperson of the Coca-Cola Beverages South Africa Mintirho Foundation, Non-Executive Director of the Association of Corporate Treasurers of South Africa (ACTSA), and Board Member of the Sekhukhune Development Agency, including service on its Finance Committee.

Her work is particularly focused on municipal investment finance, fiscal policy, and public sector economic growth strategies, contributing to both national development imperatives and the international sustainable development agenda.

Ms. Malijeng Ngqaleni (18 September 2024 to 17 September 2029)

Ms. Malijeng Ngqaleni holds an MSc in Agricultural Economics from the University of Saskatchewan, a BA in Economics from the University of Lesotho, and certifications in leadership and facilitation. With over thirty years' experience, she has held academic and public sector positions, impacting all three spheres of government.



Her career commenced in academia and research, where she dedicated eight years to deepening her expertise and refining her ability to distill complex concepts into actionable insights. She has an extensive background in the public sector, with nearly two decades serving in various senior leadership roles at the National Treasury. As Head of Intergovernmental Relations, she was responsible for coordinating fiscal and financial relations among national, provincial, and local governments. In this capacity, she spearheaded reforms across provincial and local government budgets, contributing to the transformation of the intergovernmental fiscal system. A strong advocate for collaborative partnerships, she has effectively engaged with all spheres of government, the private sector, civil society, and international donors, leading programmes aimed at enhancing infrastructure delivery and advancing urban transformation.

She is currently serving as a member of the 1998 Local Government White Paper Review, led by the Department of Cooperative Governance. In this capacity, she coordinates Finance and Infrastructure and also serves as Commissioner for the Fiscal and Financial Commission.

Ms. Elizabeth Cornelia Rockman (26 May 2020 to 25 May 2025)

Ms. Rockman obtained her BA Education (Languages) and BA Hons Languages (English) degrees from the University of the Free State. She is a Certified Fraud Examiner and a member of the Association of Certified Fraud Examiners (ACFE – International and South African chapters). She was a Member of the Executive Council (MEC) for Finance in the Free Financial and Fiscal Commission • ANNUAL REPORT 2023/24 • 21 State from 2013 to 2019. Prior to that, she served as the Director-General of the Free State Province (from 2011 to 2013), as Head: Monitoring and Evaluation in the Free State Premier's Office (from 2009 to 2011), and as Secretary to the Free State Legislature (from 1994 to 2009). She served as the Regional Election Administrator of the ANC in the Southern Free State region and participated in a training programme focusing on parliamentary management and administration facilitated by the ANC in Zimbabwe, Canada, and South Africa in preparation for the 1994 general elections. Ms. Rockman is the Chairperson of The Elf Foundation, a non-profit organisation focusing on socio-economic interventions and poverty relief programmes in poor and disadvantaged communities in the Free State.

Mr. Sikhumbuzo Eric Kholwane (26 May 2020 to 25 May 2025)

Mr. Kholwane has an LLB degree from the University of South Africa and an MA ICT Policy and Regulation degree from the University of the Witwatersrand. He also has the following qualifications: A Nursing Diploma from the Mpumalanga Nursing College, an Advanced Diploma in Human Resources and an Advanced Diploma in Economic Policy from the University of the Western Cape, an Advanced Diploma in Research and Policy from Rhodes University, and an Industrial Policy and Research for Leaders Certificate from the University of Johannesburg's School of Leadership. He is currently studying for an honours degree in Economics for Public Policy and African Studies.

7. Commission meetings and attendance

Commissioner meetings are the highest decision-making structure of the Commission. The meetings are chaired by the Chairperson and are held at least four times a year in terms of enabling legislation. The table below indicates the frequency of Commission meetings and attendance during 2024/25.

Name of member	Commission meeting attendance and dates					
	25 April 2024	31 May 2024	31 July 2024	14 August 2024	21 November 2024	30 January 2025
Dr Patience Nombeko Mbava	✓	✓	✓	✓	✓	✓
Mr Michael Sachs	A	A	A	A	✓	A
Prof Lourens Erasmus					✓	✓
Prof Trevor Fowler						✓
Mr Eric Kholwane	R	R	R	R	R	R
Ms. Malijeng Ngqaleni					✓	✓
Ms. Elizabeth Rockman	✓	✓	A	✓	A	A
Ms. Masefateng Dorcas Letsatsi						✓
Key: ✓ = Attended; A = Apology; R = Recused						

8. Committees

The Commission may appoint one or more committees to assist in the performance of any of its functions or the exercise of any of its powers. The establishment of committees strengthens the overall governance of the Commission. The Audit and Risk Committee is a mandatory committee that is established in terms of the Public Finance Management Act (PFMA). The Commission has further established a Research Working Group to ensure the effective attainment of its outcomes. Each committee has its own terms of reference that are regularly reviewed.

2.1 Audit and Risk Committee

The Audit and Risk Committee is independent in accordance with the PFMA and the legislative prescripts. The Chairperson is an independent member appointed by the CEO as the Accounting Officer, as mandated by the Treasury Regulations. All members comply with statutorily required competencies and have no conflicts of interest. The Commission, with the assistance of the Audit and Risk Committee, needs to ensure that an effective, efficient and transparent system of internal control is implemented and maintained so that the Commission can meet its strategic outcomes and outputs. The Audit and Risk Committee primarily assists the Commission in overseeing the quality and integrity of the financial statements, its public disclosures, the scope and effectiveness of the external audit function, and the effectiveness of the Commission's internal controls and internal audit function. The Audit and Risk Committee operates under an approved charter. The CEO, executive management, the Auditor-General and internal auditors attend, thus ensuring that such meetings are as effective and transparent as possible. The assertions and assurance provided by internal and external audits are relied on to determine the effectiveness of the internal control systems.

2.2 Research Working Group

The Research Programme translates and implements the Commission's strategic direction for research, ensuring that key recommendations and messages are consistent, and maintains and builds the reputation of the Commission. To this end, quality research is a critical core business enabler of evidence-based recommendations. Excellence in research is unlikely to have an impact, however, unless policy analysis is packaged in a way that is understood by stakeholders and adds value to their processes. Accordingly, the effective dissemination of research insights and recommendations, and effective stakeholder management, are key to the programme's work. This includes following up on the implementation of recommendations and innovations in how the Commission engages its stakeholders. The Research Working Group assists the Commission in overseeing its research programme. Meetings are held four times a year, or more frequently if needed. Activities involve monitoring research plans, outputs and external expertise utilised in undertaking or reviewing research proposals and ultimately providing strategic direction and guidance during the research process. Equally critical is the role in managing the policy impact of the Commission's recommendations.

The table below indicates the composition of the Research Working Group, the frequency of meetings and attendance during 2024/25.

Name of member	Research Working Group meeting attendance and dates		
	11 June 2024	28 October 2024	11 December 2024
Dr Patience Nombeko Mbava	✓	✓	✓
Mr Michael Sachs	A	A	A
Prof Lourens Erasmus		✓	A
Prof Trevor Fowler			✓

Mr Eric Kholwane	R	R	R
Ms. Malijeng Ngqaleni		✓	A
Ms. Elzabe Rockman	✓	A	A
Ms. Masefateng Dorcas Letsatsi			✓
Key: ✓ = Attended; A = Apology			

3. Compliance with legislation

As the Executive Authority, the Chairperson is responsible for overall strategic and governance oversight. As the Accounting Officer, the CEO has the ultimate responsibility to monitor and ensure institutional and financial compliance. The function of ensuring regulatory compliance within the operational divisions is the responsibility of the executive managers.

4. Risk management

Risk management forms an integral part of the Commission's plan to deliver effectively and efficiently on its mandate. The Commission identifies and manages strategic risks associated with the outcomes in its Strategic Plan, as well as operational risks in line with its mandate. The Commission maintains a risk register, which is reviewed to ensure that risk is managed and to identify new and emerging risks. Risk reports are tabled at meetings of the Audit and Risk Committee. The internal auditors use the Risk Register to plan their risk-based audits. The Audit and Risk Committee monitors the implementation of risk management in a systematic and regular manner. Risk management underpins the Commission's strategic and operational management and is integrated into its activities at all levels, from planning to execution, and from oversight to control.

5. Fraud and corruption prevention

All staff members have a duty to report knowledge or suspicion of fraud and corruption. The implementation and monitoring are done through compliance and risk reporting. The Commission has intensified its focus on fraud awareness and prevention, including reviewing and strengthening internal controls, as a result of the forensic investigations underway.

6. Health, safety and environmental issues

The Commission cares for its employees and their work environment and seeks to ensure, as far as is reasonably possible, the health and safety of all employees in the workplace and of all other people conducting business on its premises. The Commission is committed to the fulfilment of the requirements stipulated in the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993). No material health, safety or environmental issues were raised during the year.

7. B-BBEE compliance performance information

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

Has the Financial and Fiscal Commission applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1–8) with regard to the following:

Criteria	Response: Yes / No	Discussion
Determining qualification criteria for the issuing of licenses, concessions, or other authorisation in respect of economic activity in terms of any law?	No	This is not applicable to the FFC.
Developing and implementing a preferential procurement policy?	No	The FFC implements the Preferential Procurement Policy developed by the National Treasury while its policy is under development.
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable to the FFC.
Developing criteria for entering partnerships with the private sector?	No	This is not applicable to the FFC.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of B-BBEE?	No	This is not applicable to the FFC.

PART D: HUMAN RESOURCES MANAGEMENT

This section indicates the workforce profile in terms of the total number of people on the staff establishment, inclusive of fixed-term contract employees. The vacant positions are shown as of 31 March 2025. The Commission undertook a vigorous human resources turnaround strategy to ensure an efficient and effective workforce.

1. Personnel expenditure

The personnel expenditure table provides an overview of the Commission's personnel cost composition by salary level for the year ending 31 March 2025.



Glass Ceiling?

Feeling stuck in your career?

At the Financial and Fiscal Commission, we believe in boundless potential. Our dynamic environment fosters breakthrough careers for both research and support careers.

We don't believe in glass ceilings — only opportunities for growth and achievement.

Your ambition deserves a workplace that matches it.
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1.1. Personnel costs by salary band

Salary levels	Personnel expenditure (R)	Percentage of total personnel cost	Average personnel cost per employee (R)
Salary levels 1–2	0	0	0
Salary levels 3–5	0	0	0
Salary levels 6–8	2,368,083.16	10%	197,340.26
Salary levels 9–12	9,950,344.44	42%	882,022.50
Salary levels 13	4,561,461.96	19%	1,263,805.50
Salary levels 14–15	7,060,662.44	29%	1,699,056.00

2. Employment Changes

Salary band	Total headcount 31 March 2024	Vacant Positions 31 March 2024	Total headcount 31 March 2025	Vacant Positions 31 March 2025
Salary levels 1–2	0	0	0	0
Salary levels 3–5	0	2	0	0
Salary levels 6–8	1	0	2	0
Salary levels 9–12	9	29	6	29
Salary levels 13	4	3	5	2
Salary levels 14–15 (executive management)	3	1	5	1
Total	17	35	18	35

2.1 Appointments and Terminations

Salary Levels	Appointments	Terminations	Total staff headcount 2025
Salary levels 1–2	0	0	0
Salary levels 3–5	0	0	0
Salary levels 6–8	0	3	1
Salary levels 9–12	1	3	5
Salary levels 13	1	2	4
Salary levels 14–15	1	0	5
Total	3	8	15

2.2 Employment and vacancies by programme

The following table indicates the employment and vacancy trends by programme as at 31 March 2025:

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate (%)	Number of employees in additional to the establishment
Research	32	10	69%	0
Administration	14	5	64%	0
Office of the Chairperson	5	3	40%	0
Total	51	18	65%	0

2.3 Senior Management Service (SMS) posts

The following table shows the filling of posts defined as SMS in the public service as at 31 March 2025:

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	Percentage of SMS posts filled (%)	Total number of SMS posts vacant	Percentage of SMS posts vacant (%)
Salary level 15	1	1	100	0	0
Salary level 14	4	4	100	0	0
Salary level 13	8	5	62.5	3	38
Total	13	10	76.9	3	38

The following table shows the advertising and filling of SMS posts for the period 1 April 2024 to 31 March 2025.

1. Three posts were filled in the 2024/2025 financial year; for the others, the process is still underway

Level	Advertising	Filling of posts
	Number of vacancies per level advertised	Number of vacancies per level filled
Salary level 14	2	1
Salary level 13	0	1
Salary level 12	1	0
Salary level 11	9	0
Salary level 10	4	0
Salary level 9	0	1
Salary level 8	0	0
Salary level 7	0	0
Salary level 6	0	0
Salary level 5	0	0
Salary level 4	0	0
Salary level 3	0	0
Salary level 2	0	0
Salary level 1	0	0
Total	14	3



Financial and Fiscal Commission South Africa

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Staff terminations (including interns)

Termination type	Number
Resignation	6
Retirement	0
Contract expiry	0
Dismissal	1
Retrenchments	0
Mutual termination	1
Total	8

3. Headcount

The table below shows the Commission's headcount classification per occupational level as of 31 March 2025. The headcount includes employees appointed permanently and on fixed-term contracts. Analysis shows that, in terms of gender, females account for 44.44% and males for 55.55% of the Commission's headcount. The distribution of race is African 61.11%, Coloured 16.66%, Indian 5.55%, Asian 5.55% and white 11.11%.

Occupational bands	Male					Female					Total
	African	Asian	Coloured	Indian	White	African	Asian	Coloured	Indian	White	
Executive management	2	1	0	0	0	1	0	0	1	0	5
Senior management	1	0	0	0	0	0	0	2	0	1	4
Professionally qualified and experienced specialists and mid-management	5	0	1	0	0	0	0	0	0	1	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	2	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
People who have declared disabilities	0	0	0	0	0	0	0	0	0	0	0
Total	8	1	1	0	0	3	0	2	1	2	18

4. Disability leave (temporary and permanent)

Employee wellness information is always shared with employees. Such information helps them to adopt and maintain healthy behaviors and lifestyles. Healthy behaviors lead to lower health risks, and lower health risks lead to less chronic disease. As a result, the Commission recorded no temporary disability leave during 2024/2025.

5. Labour relations trends

5.1 Grievances lodged

No formal grievance was lodged during 2024/25.

5.2 Dismissal

One employee left the Commission because of dismissal during 2024/2025.

6. Injury on duty

During 2024/2025, no injury on duty cases were reported. This is due to preventative precautionary measures consistently taken by the Commission to create a safe and conducive working environment, and to be in compliance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and Regulations.

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PART E: PFMA COMPLIANCE REPORT



PART E: PFMA COMPLIANCE REPORT

1. Irregular, fruitless and wasteful expenditure and material losses

1.1. Irregular expenditure

Reconciliation of irregular expenditure

Description	2024/25	2023/24
	R	R
Opening balance	18 543 131	18 269 478
Add: Irregular expenditure confirmed	-	264 653
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	18 543 131	18 543 131

There was no irregular expenditure incurred in the current year by the Commission. Irregular expenditure is coming from previous years, and it has not yet been condoned.

Reconciling notes

Description	2024/25	2023/24
	R	R
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	-	264 653
Total	-	264 653

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

Description ¹	2024/25	2023/24
	R	R
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	5 709 402	-
Irregular expenditure under investigation	12 824 729	18 534 131
Total²	18 534 131	18 534 131

¹ Group similar items

² Total unconfirmed irregular expenditure (assessment), losses (determination) and criminal conduct (investigation)

Description		2024/25	2023/24
		R	R
Irregular expenditure condoned		-	-
Total		-	-

Description		2024/25	2023/24
		R	R
Irregular expenditure written off		-	-
Total		-	-

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

Disciplinary steps taken

2. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2024/25	2023/24
	R	R
Opening balance	3 632 744	3 632 744
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	3 632 744	3 632 744

There is no fruitless and wasteful expenditure incurred in the 2024/25 financial year.

Reconciling notes

Description	2024/25	2023/24
	R	R
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2023/24 and identified in 2024/25	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

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

Description	2024/25	2023/24
	R	R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	1 089 731	-
Fruitless and wasteful expenditure under investigation	2 543 013	3 632 744
Total	3 632 744	3 632 744

Investigations into fruitless and wasteful expenditure incurred by the Commission in prior financial years had not been concluded by the end of the financial year.

Details of current and previous-year fruitless and wasteful expenditure recovered

Description	2024/25	2023/24
	R	R
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

Description	2024/25	2023/24
	R	R
Fruitless and wasteful expenditure written off	-	-
Total	-	-

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

Disciplinary steps taken

3. Additional disclosure relating to material losses in terms of the PFMA section 40(3)(b)(i) and (iii)

The Commission did not incur any material losses in the year under review or in any previous years.

3.1 Late and/or non-payment of suppliers

Description	Number of invoices	onsolidated value (R)
Valid invoices received	557	27 111 414
Invoices paid within 30 days or agreed period	509	22 945 803
Invoices paid after 30 days or agreed period	38	4 060 007
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	8	105 604

Thirty-eight invoices were paid late due to a deficiency in financial control. Eight invoices were not paid and are disputed.

4. Supply chain management

4.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R)
Sage 300	Brilliant Link	Deviation	RFQ220603	R231,156.50
Total				R231,156.50

4.2 Contract variations and expansions

Project description	Name of supplier	Contract Modification type (variation or expansion)	Contract number	Original Contract Value (R)	Value of current contract variation or expansion
Professional Services	Samba Solutions	Variation	RFQ2024/09	R611,200.00	R91,300.00
Competency Assessment Services	Assessment Toolbox	Variation	RFQ2024/32	R28,006.65	R1,541.64
Recruitment Services	Fempower Personnel	Variation	RFQ2023/01	R719,934.72	R118,340.21
Recruitment Services	Heitha Staffing Group	Variation	RFQ2023/01	R57,882.24	R60,720.00
Total					R271,901.85

4.3 Irregular, and fruitless and wasteful expenditure

Type of expenditure	On contracts entered into prior to 2024/25	On contracts entered into in 2024/25	Total
Irregular	0	0	-
Fruitless and wasteful	0	0	-

PART F: FINANCIAL INFORMATION



PART F: FINANCIAL INFORMATION

STATEMENT OF RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Accounting Officer is responsible for the preparation of financial statements that fairly present the financial position, performance and cash flows for the financial period under review and for the related information contained in the annual report. For the Accounting Officer to discharge these responsibilities in terms of the PFMA and other applicable legislation, the Commission has an established system of internal controls.

The Commission maintained and improved its maintenance of accounting records and an effective system of internal controls and risk management, and complied in all material respects with applicable laws and regulations, except as reported by the Auditor-General. While operating risk cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. Monitoring of these controls includes regular review of the Commission's operations by the Accounting Officer and independent oversight by the Audit and Risk Committee.

The Commission prepared the annual financial statements presented on pages 74 to 124 using Standards of Generally Recognised Accounting Practice (GRAP). Appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been used consistently. The external auditors are responsible for reporting on whether the financial statements are fairly presented. Their report is presented on page 63.

The Commission is financially dependent on a transfer payment from the nationally appropriated funds. On the basis that the transfer payment has been listed in the Estimates of National Expenditure, the Commission believes that it will continue to be a going concern in the year ahead. For this reason, the Commission prepared the annual financial statements on a going-concern basis. As the Accounting Officer, I have approved the annual financial statements for the year ended 31 March 2025, which were signed.



Thulani Duncan Ntuli

**Chief Executive Officer
Financial and Fiscal Commission**

31 August 2025



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Report of the Audit and Risk Committee for the year ended 31 March 2025

1. Legislative Mandate

This report is presented in terms of section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended), read with Treasury Regulation 3.1.13. The Audit and Risk Committee (ARC) is established in accordance with section 38(1)(a)(ii) of the PFMA. Its mandate is to provide oversight of governance, internal control, financial management, performance reporting, risk management, compliance with laws and regulations, and ethics.

2. Committee Composition and Attendance

During the reporting period, the Committee comprised three external members:

Member	Designation		Number of meetings attended
Thulani Duncan Ntuli	Chairperson	External	6
Seipati Boulton	Member/ Chairperson	External	8
Dr Mvuleni Bukula	Member	External	5

The Committee held eight meetings during the financial year, four were ordinary meetings in line with its Charter. The other four were special meetings that dealt with internal audit plans and the external audit reports. Meetings were attended by the Accounting Officer, senior management, internal auditors, and external auditors as required. The Chairperson also reported to Commission meetings on governance, financial performance, and risk management.

3. ARC Responsibilities and Activities

The Committee discharged its responsibilities in terms of the PFMA, Treasury Regulations, the ARC Charter, and the Internal Audit Charter. Key focus areas were:

- **Financial and performance reporting:** Reviewed the annual financial statements (AFS) and performance report prior to submission to the Auditor-General, monitored quarterly reports, and recommended improvements for timeliness and accuracy.
- **Integrated and combined assurance:** Monitored the coordination between management, internal audit, external audit, and oversight functions to ensure reliable assurance processes.
- **Risk management:** Oversaw the risk management function, with the CEO assuming responsibility in the absence of a dedicated Risk and Compliance Manager. Progress was made in updating the risk register and aligning risk responses with strategic objectives.

- **Internal control and compliance:** Monitored internal control environment, compliance with legislation, and ethical practices.
- **ICT governance:** Considered risks and assurance on information and communication technology.
- **Anti-fraud and corruption:** Oversaw management's fraud prevention and mitigation measures, with quarterly updates provided.

4. Internal Audit Function

The internal audit function is outsourced to Nik'ilitha Consulting. The ARC approved the three-year risk-based internal audit plan and the annual coverage plan. Internal Audit executed its work programme successfully despite capacity constraints. The Committee is satisfied that Internal Audit operated independently and provided objective assurance that added value to the Commission.

5. Risk Management

The CEO assumed interim responsibility for the risk management function. Progress achieved includes:

- Preparation and submission of quarterly risk reports to the Committee.
- Annual risk assessment and updating of the risk register.
- Development of a strategic and operational risk register, to be monitored regularly.

The ARC notes that defining risk appetite and tolerance levels remains a priority for the next financial period.

6. Evaluation of the Finance Function

The finance unit was significantly affected by capacity constraints and vacancies (e.g., Management Accountant, SCM Specialist). Leadership instability – with an Acting CFO in office until 31 January 2025 and a permanent CFO appointed only in February 2025 – hampered financial planning, financial record keeping, year-end preparation of the annual financial statements, management reviews, and oversight. These weaknesses contributed to the material audit findings and delayed reporting.

The Committee is not satisfied with the current capacity and effectiveness of the finance function and has recommended urgent interventions to strengthen it, such as:

- The filling of critical vacancies.
- A records management system.
- Formalised standard operating procedures to improve financial processes.
- Regular comprehensive financial reporting.
- Procurement registers

7. Performance Management

The ARC reviewed performance information and reports and confirmed:

- Compliance with PFMA and Treasury Regulations.
- Relevance and measurability of indicators.
- Improvements needed in performance agreements and in aligning budget with performance targets.

The ARC is satisfied that the performance report, after correction, fairly presents results.

8. Committee's Overall Assessment

The ARC acknowledges progress made with the appointment of a permanent CEO and CFO, strengthening governance and financial management oversight. However, persistent capacity constraints, delays in submission of financial reports, and recurring misstatements indicate that internal controls are inadequate and/ or not yet fully effective.

The Committee emphasises that sustained implementation of audit action plans, timely recruitment and filling of critical vacancies, monitoring compliance with legislation, and adherence to financial reporting standards are essential to achieving clean audit outcomes in the future.

9. Conclusion

Based on its oversight work, the Audit and Risk Committee:

- Accepts the unqualified audit opinion issued by the Auditor-General.
- Notes with concern the recurring control weaknesses, particularly in the finance and procurement functions, and compliance with PFMA timelines.
- Commits to monitor management's implementation of corrective actions as standing items in ARC meetings.

The Committee remains committed to strengthening governance, internal controls, accountability, and financial sustainability within the Financial and Fiscal Commission.

On behalf of the Audit and Risk Committee:


Ms Seipati Yvonne Boulton

Audit Committee Chair

Financial and Fiscal Commission

31 July 2025

STATEMENT OF RESPONSIBILITY OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The annual financial statements have been prepared in accordance with the Standards of GRAP, including any interpretations, guidelines, and directives issued by the Accounting Standards Board.

The annual financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that she is ultimately responsible for the system of internal financial control established by the Commission, and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Commission sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Commission, and all employees are required to maintain the highest ethical standards in ensuring that the institution's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Commission is on identifying, assessing, managing, and monitoring all known forms of risk across the institution. While operating risk cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management in respect of 2024/25, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatements or deficits.

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

The annual financial statements are prepared on the basis that the Commission is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the Commission.

The Commissioners are accountable for the fiduciary governance and management of the Commission. The Chief Executive Officer, as the Accounting Officer of the Commission, is responsible for its financial affairs.

The annual financial statements set out in this Annual Report were approved and signed by the Accounting Officer.



Thulani Duncan Ntuli

**Chief Executive Officer
Financial and Fiscal Commission**

31 August 2025

10. Analysis of financial statements

The Commission improved its internal control environment and implemented its Audit Improvement Plan in the current financial year. This resulted in the achievement of an unqualified audit opinion with findings.

10.1 Revenue

The Commission received its funding from non-exchange and exchange transactions.

10.1.1 Revenue received from exchange transactions

The Commission received interest of R1 691 107 (2024: R2 463 469) in its positive bank balance.

10.1.2 Revenue received from non-exchange transactions

The total appropriation from the National Treasury for the Commission for the year ending 31 March 2025 was R60 266 000 (2024: R59 084 000), representing a 2.0% increase in revenue. The increase is due to the National Treasury-effected baseline increase across state institutions over the Medium-term Expenditure Framework (MTEF) period. The funding from the National Treasury was exclusively used for the operations of the Commission.

10.2 Expenses

Operating expenditure decreased slightly from R63,137,935 (2024) to R62,541,278 (2025), representing a decrease of 3.3% from the previous financial year. The main fluctuations in operating expenditure were derived from the following:

- The recognition of an expense related to the surrender of surplus amounting to R11 680 376 (2024: R13 185 872), as directed by National Treasury Instruction Note 12 of 2020/21. The Commission is directed to surrender any surplus, which it does not intend to request to retain, to fund commitments or other expenditure.
- Employee costs decreased from R26 193 456 to R23 940 552. There was slow progress in capacitating FFC with staff, the resignation of some staff members, and the contracts of the interns were coming to an end in this financial period; as a result, there was a significant decrease in employee-related costs.
- Professional services costs increased by 48% during the year, from R2 787 813 to R5 374 288. The significant increase was due to legal fees.
- Over the course of the year, ICT support decreased from R548 291 to R401 539, a 37% decrease. This is because the State Information Technology Agency (SITA) is offering ICT support.

Other operating expenditure increased by 15.3% during the year from R22 619 483 to R26 082 716. Professional services costs increased by 48% during the year, from R2 787 813 to R5 374 288. This significant increase was due to legal expenses. General savings were achieved in travelling costs that went down by 28% during the financial year from R2 918 774 to R2 275 386. This was due to the Commission conducting stakeholder engagements using virtual platforms. External audit costs significantly increased by 46.5% during the year, from R2 912 759 to R4 268 097.

10.3 Assets

Current assets rose significantly by 68%, from R17.44 million in the previous year to R29.38 million. This increase was primarily attributed to cash and cash equivalents during the year. Included in the current assets are prepayments in respect of operating expenses of R1 589 486 (current portion) and R134 197 (non-current portion).

Property, plant, equipment, and intangible assets have not increased significantly during the year, as there were no new additions to these assets. The changes observed are primarily due to the depreciation or amortization of existing assets, as well as the derecognition of some assets.

10.4 Liabilities

Current Liabilities significantly increased by 74%, from R15.95 million in the previous year to R27.79 million in the current year. Liabilities include provisions for leave pay of R1 048 450 (2024: R824 500). Payables from non-exchange transactions relate to the 2023/24 surrender of surplus that the Commission is required to surrender over to National Revenue Treasury as instructed by the National Treasury; the payment was made after the 2024/25 year-end. Payables from exchange transactions include suppliers' outstanding at year-end. This increased in the current year to R1 440 670 (2024: R1 503 216).

10.5 Disclosures

10.5.1 Commitments

The Commission did not have any capital commitments during the current financial year.

10.5.2 Related party disclosures

Related parties of the Commission are all involved in arms-length transactions governed by legislative or contractual commitments entered into in compliance with relevant regulations.

10.5.3 Irregular, fruitless, and wasteful expenditure

There is a decrease in irregular, fruitless, and wasteful expenditure due to internal control put in place. Irregular expenditure incurred relates to contracts entered into in previous financial years:

Type of expenditure	2025	2024
Irregular	R0	R264 653
Fruitless and wasteful	R0	R0
Closing Balance	R0	R264 653

All previous and current cases of irregular expenditure, and fruitless and wasteful expenditure were referred to forensic investigation.

10.6 Major event expenditure

The Commission did not incur any expenditure in respect of any major event during the period under review that was not related to its mandate.

10.7 Constraints

In a knowledge-intensive domain, the Commission remains critically aware of the importance of its staff. The Commission will prioritize its research programme to strengthen its ability to generate influential policy advice, based on credible research, and to increase its empirical data capacity. Suitable research expertise is difficult to secure, however. The technical skills required mean that there is a limited pool of researchers from which to recruit. The attraction of talent and the management and retention of competent staff remain a key imperative.

10.8 Corporate governance arrangements

10.8.1 Internal audit function

The Commission appointed an internal audit function that assisted it in its ability to improve its internal control environment.

10.8.2 Risk management

Management has reviewed the Commission's Risk Management Strategy, which informed the continuous integration of risk management into the daily activities of the Commission.

Management has created awareness and instituted risk management processes and procedures in alignment with the public-sector Risk Management Framework in the form of an independent risk review process. The Commission updated its risk profile, which is monitored by internal governance structures on an ongoing basis.

10.9 New activities

Except for requests received from stakeholders in terms of section 3 of the Financial and Fiscal Commission Act, 1997, there were no other new activities during the reporting period.

10.10 Asset Management

In terms of section 38(1)(b) of the PFMA, the Accounting Officer is responsible for the effective, efficient, economical, and transparent use of its resources.

Appropriate actions were taken to enhance the Commission's overall asset management environment in addition to the regular daily administration and management of the asset register. The Commission made certain that all of its assets were appropriately verified, tagged, and recorded in the asset register. Assets that were duplicated, lost, or not owned by the Commission were derecognised from the asset register. To make sure that Commission assets are properly recorded and accounted for in the annual financial statements, an asset verification process was carried out. According to the Management Report issued by the Office of the Auditor General, asset management has improved throughout the current financial year.

10.11 Performance information

Divisional heads report to the CEO on a regular basis on progress made regarding functional delivery and measurable outputs, as contained in the Commission's Strategic Plan.

10.12 Standing Committee on Public Accounts (SCOPA)

There were no SCOPA resolutions in 2024/25 relating to the Commission.

10.13 Surplus and reserves

At the beginning of the year, the Commission received approval to use its accumulated surplus towards operations. The Commission has assessed its budget requirements and will request retaining only part of the surplus related to contracted commitments in the upcoming year.

10.14 Budget

The Commission's budget was submitted to the National Treasury in terms of the PFMA. There was no surplus or deficit in the budget.

10.15 Executive Authority

The Commission's Executive Authority is its chairperson in terms of the Treasury Regulations to the PFMA.

Name	Position	Period served during the 2024/25 financial year
Dr N Mbava	Chairperson	1 April 2024 to 31 March 2025

10.16 Approval

As the Accounting Officer, I have approved the annual financial statements set out on pages 79 to 110.



Thulani Duncan Ntuli

**Chief Executive Officer
Financial and Fiscal Commission**

31 August 2025

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL AND FISCAL COMMISSION

Report of the auditor-general to Parliament on the Financial and Fiscal Commission

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Financial and Fiscal Commission set out on pages 4 to 32, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Financial and Fiscal Commission as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 24 of 2024 (Dora).

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 constitutional institution 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.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error of the financial statements of the constitutional institution at, and for the year ended, 31 March 2025.

Provision for surrender of surplus

8. As disclosed in note 15 to the financial statements, the constitutional institution has disclosed a provision for surrendering a surplus of R11 680 376 (2023-24: R13 185 872).

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and Dora; 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.
10. In preparing the financial statements, the accounting officer is responsible for assessing the constitutional institution'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 constitutional institution 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

11. 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.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 6, forms part of my auditor's report.

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following material performance indicators related to the research programme presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the constitutional institution's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Annual submission for division of revenue with recommendations tabled

- Technical research report regarding the annual submission published
 - Number of policy briefs published
 - Submission on the medium-term budget policy statement submitted
 - Submission on the Division of Revenue Bill submitted
 - Submission on the Appropriation Bill submitted
 - Number of briefings and presentations made
 - Number of special projects undertaken
15. 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 constitutional institution's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the constitutional institution's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the constitutional institution's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets / measures taken to improve performance.
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
18. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

19. I draw attention to the matter below.

Material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

21. 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 constitutional institution's compliance with legislation.
22. 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.
23. 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 constitutional institution, 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.
24. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements of current liabilities, the statement of changes in net assets and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

26. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Other information in the annual report

27. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported on in this auditor's report.
28. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. 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 programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. 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.
32. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
33. The constitutional entity did not promptly implement effective human resource management practices to fill vacant senior management positions, including the key positions of accounting officer, chief financial officer and support staff in the finance unit. This contributed to significant shortcomings in the control environment, particularly in financial and performance reporting. This also ultimately resulted in weakened controls around daily processing, monthly reconciliations and payments of transactions and events, including the inability to timeously prepare a credible set of financial statements and performance report.

34. The constitutional entity did not effectively implement compliance monitoring controls to ensure compliance with applicable legislation, which resulted in non-compliance with key requirements of the PFMA. This was primarily due to critical vacancies within the entity.

Auditor-General

Cape Town

31 July 2025



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. 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

2. 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 the selected programme and on the constitutional institution's compliance with selected requirements in key legislation.

Financial statements

3. 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 constitutional institution'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 constitutional institution 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 constitutional institution 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

4. 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.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); Section 55(1)(c)(i) Section 56(1) Section 57(b)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2 Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c) Regulation 33.1.1; 33.1.3
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 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National 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. 3 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17 Paragraph 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a) Paragraph 3.3.1
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 Section 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7

Legislation	Sections or regulations
	Regulation 6.1; 6.2; 6.3; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1; 9.2 Regulation 10.1; 10.2 Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Registered office	11th Floor 33 on Heerengracht Foreshore Cape Town 8001
Bankers	Nedbank Limited
Auditors	Auditor General of South Africa Registered Auditors
Members of the Commission	Dr Patience Nombeko Mbava (Chairperson) Prof Lourens Erasmus Ms Majileng Ngqaleni Prof Trevor Fowler Ms Masefateng Dorcas Letsatsi Mr Michael Sachs Ms Elizabeth Cornelia Rockman Mr Sikhumbuzo Eric Kholwane
Chief Executive Officer	Mr Thulani Ntuli
Chief Financial Officer	Mr Mavuso Vokwana

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8
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Abbreviations used:

SARB	South African Reserve Bank
GRAP	Generally Recognised Accounting Practice
PFMA	Public Finance management Act
IAS	International Accounting Standards
SCM	Supply Chain Management

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Statement of Responsibilities of the Accounting Officer

The Accounting Officer is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the Commission as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the Commission and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Commission sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standards in ensuring the Commission's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Commission is on identifying, assessing, managing and monitoring all known forms of risk across the Commission. While operating risk cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Officer has reviewed the Commission's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, he is satisfied that the Commission has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Commission is wholly dependent on the National Treasury for continued funding of operations. The annual financial statements are prepared on the basis that the Commission is a going concern and that the Commission has neither the intention nor the need to liquidate or curtail materially the scale of the Commission.

The external auditors are responsible for independently auditing and reporting on the Commission's annual financial statements. The annual financial statements have been examined by the Commission's external auditors.

The annual financial statements set out on pages 4 to 32, which have been prepared on the going concern basis, were approved by the Commission on 31 May 2025 and were signed on its behalf by:

Chief Executive Officer

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Current Assets			
Receivables from exchange transactions	10	-	194 290
Prepayments	8	1 589 486	785 090
Cash and cash equivalents	11	27 793 311	16 470 245
		29 382 797	17 449 625
Non-Current Assets			
Property, plant and equipment	3	986 685	1 789 478
Intangible assets	4	368 606	396 776
Prepayments	8	134 197	-
Deposit	9	1 041 218	1 041 218
		2 530 706	3 227 472
Total Assets		31 913 503	20 677 097
Liabilities			
Current Liabilities			
Finance lease obligation	12	16 421	64 433
Operating lease liability	5	393 767	350 536
Payables from exchange transactions	6	1 440 670	1 503 216
Payables from non-exchange transactions	7	13 185 872	-
Provisions	13	12 756 580	14 038 126
		27 793 310	15 956 311
Non-Current Liabilities			
Finance lease obligation	12	-	16 421
Total Liabilities		27 793 310	15 972 732
Net Assets		4 120 193	4 704 365
Accumulated (deficit)/surplus		4 120 192	4 704 362
Total Net Assets		4 120 192	4 704 362

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Interest received	14	1 691 107	2 463 469
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	17	60 266 000	59 084 000
Total revenue		61 957 107	61 547 469
Expenditure			
Employee related costs	18	(23 940 552)	(26 193 456)
Depreciation and amortisation	19	(799 893)	(673 088)
Finance costs	20	(6 670)	(11 581)
Loss on disposal of assets	3	-	(284 723)
Loss on derecognition of assets	16	(31 071)	(169 732)
Surrender of surpluses	15	(11 680 376)	(13 185 872)
General Expenses	21	(26 082 716)	(22 619 483)
Total expenditure		(62 541 278)	(63 137 935)
Deficit for the year		(584 171)	(1 590 466)

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	3 563 668	3 563 668
Correction of errors - Note 25	2 731 160	2 731 160
Balance at 01 April 2023 as restated*	6 294 828	6 294 828
Deficit (as previously stated)	(3 063 429)	(3 063 429)
Correction of errors - Note 25	1 472 963	1 472 963
Deficit for the year	(1 590 466)	(1 590 466)
Balance at 01 April 2024	4 704 363	4 704 363
Deficit for the year	(584 171)	(584 171)
Balance at 31 March 2025	4 120 192	4 120 192

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Grants		60 266 000	59 084 000
Interest income		1 691 107	2 463 469
Deposits		76 235	194 291
		62 033 342	61 741 760
Payments			
Employee costs		(23 716 602)	(27 215 761)
Suppliers		(26 922 571)	(44 757 876)
Finance costs		(6 670)	(11 581)
		(50 645 843)	(71 985 218)
Net cash flows from operating activities	22	11 387 499	(10 243 458)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	-	(826 585)
Purchase of other intangible assets	4	-	(78 200)
Net cash flows from investing activities		-	(904 785)
Cash flows from financing activities			
Finance lease payments		(64 433)	(59 522)
Net increase/(decrease) in cash and cash equivalents		11 323 066	(11 207 857)
Cash and cash equivalents at the beginning of the year		16 470 245	27 678 102
Cash and cash equivalents at the end of the year	11	27 793 311	16 470 245

The accounting policies on pages 9 to 17 and the notes on pages 18 to 32 form an integral part of the annual financial statements.

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Interest received - investment	1 521 000	-	1 521 000	1 691 107	170 107	29
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Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	60 266 000	-	60 266 000	60 266 000	-	
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Total revenue	61 787 000	-	61 787 000	61 957 107	170 107	
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Expenditure

Personnel	(33 550 000)	-	(33 550 000)	(23 940 552)	9 609 448	29
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Depreciation and amortisation	(419 000)	-	(419 000)	(799 893)	(380 893)	
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Finance costs	-	-	-	(6 670)	(6 670)	
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General Expenses	(27 817 000)	-	(27 817 000)	(26 082 716)	1 734 284	29
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Total expenditure	(61 786 000)	-	(61 786 000)	(50 829 831)	10 956 169	
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Operating surplus	1 000	-	1 000	11 127 276	11 126 276	
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Loss on assets de-recognised	-	-	-	(31 071)	(31 071)	
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Surrender of surpluses	-	-	-	(11 680 376)	(11 680 376)	
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	-	-	-	(11 711 447)	(11 711 447)	
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Deficit	1 000	-	1 000	(584 171)	(585 171)	
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Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	1 000	-	1 000	(584 171)	(585 171)	
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Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

Figures in Rand	Note(s)	2025	2024
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1. Significant accounting policies

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

1.1 Basis of preparation

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Significant judgements and sources of estimation uncertainty

The preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.6 Property, plant and equipment

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

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

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

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.6 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost.

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

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

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	25 years
Office equipment	Straight-line	25 years
Computer equipment	Straight-line	3 - 10 years
Finance lease asset	Straight-line	Over the period of lease

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

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

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

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

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

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

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

1.7 Intangible assets

An asset is identifiable if it either:

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

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.7 Intangible assets (continued)

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	3-10 years

The Commission discloses relevant information relating to assets under development, in the notes to the financial statements (see note 4).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another Commission; or
- a contractual right to:
 - receive cash or another financial asset from another Commission; or
 - exchange financial assets or financial liabilities with another Commission under conditions that are potentially favourable to the Commission.

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.8 Financial instruments (continued)

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Recognition

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

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

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

Financial assets

Receivables from exchange and non-exchange transactions

Receivables from exchange transactions are categorised as loans and receivables and consists of prepaid expenses. These are initially measured at fair value, and subsequently measured at amortised costing being the initially recognised amount, plus any interest accrued, less any repayments, less any impairments.

Receivables from non-exchange transactions are categorised as staff debtors. These are initially measured at fair value, and subsequently measured at amortised costing being the initially recognised amount, plus any interest accrued, less any repayments, less any impairments.

Financial liability

Payables's from exchange

Payables from exchange transactions are initially measured at fair value and subsequently measured at amortised cost. The Commission's trade and other payables relate to amounts owed to suppliers and 3rd party creditors.

Payables from non-exchange

Payables from non-exchange transactions are initially and subsequently measured at the exact amount specified by the Treasury instruction.

1.9 Tax

Income tax

The Commission is exempt from the income tax in terms of Section 10 of the Income Tax Act (Act No.58 of 1962).

1.10 Leases

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

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.10 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the .

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee

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

1.11 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

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

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

1.12 Impairment

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

When the carrying amount of a non-cash generating asset exceeds its recoverable service amount, it is impaired.

The Commission assesses at each reporting date whether there is an indication that a non-cash generating asset may be impaired. If such indication exists, the Commission estimates the recoverable service amount of the asset.

If the recoverable service amount of a non-cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss the depreciation (amortisation) charge for the non-cash generating asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

1.13 Equity

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

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.14 Employee benefits

Identification

Employee benefits

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

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

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Commission settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Financial and Fiscal Commission

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Significant Accounting Policies

1.17 Revenue from non-exchange transactions

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

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

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

Revenue is recognised when it is probable that economic benefits or service potential will flow to the Commission and these benefits can be measured reliably. Revenue comprise of government grant and interest received.

Government grants

Government grants are Commission's main source of revenue and are treated with reference to the guidance provided by GRAP 23: Revenue from non-exchange transactions. The Commission has developed an appropriate accounting policy for this basis, namely that revenue from non exchange is only recognised to the extent that a corresponding asset satisfies the recognition criteria, but limited to the amount of any outstanding obligation in the form of conditions attached to the grant.

Interest received

Revenue arising from the use by others of Commissions assets yielding interest or similar distributions is recognised when:

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

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Irregular expenditure

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

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

Irregular expenditure emanating from non-compliance with a budget of a schedule 3A and 3C public entity must be considered for condonation in terms of the definition of the relevant authority.

Amounts disclosed in the annual financial statements must relate to irregular expenditure incurred in the current financial year with one financial year comparative.

Irregular expenditure for the previous financial year must be recognised in the period in which they occurred as follows:

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.20 Irregular expenditure (continued)

- Irregular expenditure incurred and confirmed in the previous financial year.
- Irregular expenditure that was under assessment in the previous financial year and confirmed in the current year.
- Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- Irregular expenditure payments relating to multi-year contracts that was not condoned or addressed.
- Irregular expenditure under assessment, determination, investigations, reconciliation of historical irregular expenditure and other important narratives such as consequence management and inter-institutional arrangements are recorded in annual report in accordance with the prescribed reporting requirements.

1.21 Budget information

The Commission is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the commission shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 29.

1.22 Related parties

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

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

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

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

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

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

1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.23 Events after reporting date (continued)

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

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

1.24 Prepayments

Prepayments are payments made for goods and services to be received in the future. The prepayments are recognised as assets in the statement of financial position. Prepayments are initially measured at the amount of cash paid and are subsequently expensed systematically over the period to which the prepayment relates.

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Grap 104 (as revised) Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure

Financial and Fiscal Commission

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Notes to the Annual Financial Statements

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3. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office equipment	373 162	(234 556)	138 606	417 522	(259 933)	157 589
IT equipment	3 300 327	(2 506 256)	794 071	3 334 028	(1 816 952)	1 517 076
Artwork	38 806	-	38 806	38 806	-	38 806
Finance lease asset	182 417	(167 215)	15 202	182 417	(106 410)	76 007
Total	3 894 712	(2 908 027)	986 685	3 972 773	(2 183 295)	1 789 478

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Loss on derecognition of assets	Depreciation	Total
Office equipment	157 589	(11 304)	(7 679)	138 606
IT equipment	1 517 076	(12 688)	(710 317)	794 071
Artwork	38 806	-	-	38 806
Finance lease asset	76 007	-	(60 805)	15 202
	1 789 478	(23 992)	(778 801)	986 685

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Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Loss on derecognition of assets	Depreciation	Total
Office equipment	234 711	-	(41 462)	(19 074)	(16 586)	157 589
IT equipment	1 406 693	826 585	(189 105)	-	(527 097)	1 517 076
Leasehold improvements	1 661	-	-	(1 246)	(415)	-
Artwork	38 806	-	-	-	-	38 806
Finance lease asset	136 813	-	-	-	(60 806)	76 007
	1 818 684	826 585	(230 567)	(20 320)	(604 904)	1 789 478

Pledged as security

No property, plant and equipment is pledged as security.

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

4. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 266 618	(2 023 007)	243 611	2 340 906	(2 069 125)	271 781
Intangible assets under development	124 995	-	124 995	124 995	-	124 995
Total	2 391 613	(2 023 007)	368 606	2 465 901	(2 069 125)	396 776

Reconciliation of intangible assets - 2025

	Opening balance	Loss on derecognition of assets	Amortisation	Total
Computer software, other	271 781	(7 077)	(21 092)	243 611
Intangible assets under development	124 995	-	-	124 995
	396 776	(7 077)	(21 092)	368 606

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Derecognition of intangible asset	Amortisation	Total
Computer software, other	411 178	78 200	(149 412)	(68 184)	271 781
Intangible assets under development	124 995	-	-	-	124 995
	536 173	78 200	(149 412)	(68 184)	396 776

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

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Figures in Rand	2025	2024
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4. Intangible assets (continued)

Pledged as security

No intangible asset is pledged as security.

The intangible asset under development relates to BPM for Sage, a software for a business process that integrates both the SCM and Payables processes followed by the Commission. The software is still under development as at 31 March 2025 and not ready for use by the Commission.

5. Operating lease liability

Current portion of operating lease liability	393 767	350 536
Minimum lease payments due		
Within one year	7 111 327	6 677 302
Between two to five years	1 197 401	8 308 728
	8 308 728	14 986 030
Current liabilities	393 767	350 536

The operating lease liability relates to a lease for rental of office space effective from 01 June 2023 to 31 May 2026 with a 6.5% annual escalation. No contingent rent is payable on the lease.

6. Payables from exchange transactions

Trade payables	1 163 333	1 081 643
Other accrued expenses	277 337	421 573
	1 440 670	1 503 216

7. Payables from non-exchange transactions

Refunds arising from non-exchange revenue	13 185 872	-
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Other payable relates to 2023/24 surrender of surplus that the Commission is required to surrender over to National Revenue Treasy as instructed by the National Treasury; the payment was made after the 2024/25 year end.

8. Prepayments

Prepayments	1 723 683	785 090
Current assets	1 589 486	785 090
Non-current assets	134 197	-
	1 723 683	785 090

The prepayments relate to expenses such as subscriptions and licences which have been paid by the Commission in advance. The benefits of which will be enjoyed in accordance with the duration of the subscription or licence.

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

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Figures in Rand	2025	2024
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9. Deposit

Deposit held		
Deposit	1 041 218	1 041 218
Non-current asset	1 041 218	1 041 218

The deposit relates to the Cape Town office lease (33 Heerengracht street) which commenced on 01 June 2023 ending on 31 May 2026.

10. Receivables from exchange transactions

Deposits	-	194 290
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The deposit relating to the old office building that was occupied by the Commission that has been refunded in the current year.

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances (Nedbank)	17 933 210	7 363 174
Bank balances (SARB)	9 860 101	9 107 071
	27 793 311	16 470 245

12. Finance lease obligation

Minimum lease payments due		
- within one year	17 776	71 103
- in second to fifth year inclusive	-	17 776
	17 776	88 879
less: future finance charges	(1 355)	(8 025)
Present value of minimum lease payments	16 421	80 854
Present value of minimum lease payments due		
- within one year	16 421	64 433
- in second to fifth year inclusive	-	16 421
	16 421	80 854
Non-current liabilities	-	16 421
Current liabilities	16 421	64 433
	16 421	80 854

The Commission entered into a finance lease arrangement on 01 July 2022 with Konica Minolta which ends on 30 May 2025.

The average lease term was 3 years and the average effective borrowing rate is 8%.

Interest rates are fixed at the contract date. The lease has fixed repayments.

Financial and Fiscal Commission

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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13. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Forfeited during the year	Leave paid	Transfer to other payables	Total
Leave benefits	824 500	1 776 682	(975 204)	(377 828)	(199 700)	-	1 048 450
Performance bonus	27 754	-	-	-	-	-	27 754
Surrender of surpluses	13 185 872	11 680 376	-	-	-	(13 185 872)	11 680 376
	14 038 126	13 457 058	(975 204)	(377 828)	(199 700)	(13 185 872)	12 756 580

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Leave paid	Total
Leave benefits	1 121 183	1 316 721	(1 014 488)	-	(598 916)	824 500
Performance bonus	54 316	-	(26 562)	-	-	27 754
Surrender of surpluses	24 471 204	13 185 872	-	(24 471 204)	-	13 185 872
cost of living adjustment	699 060	-	-	(699 060)	-	-
	26 345 763	14 502 593	(1 041 050)	(25 170 264)	(598 916)	14 038 126

Surrender of surplus 11 680 376 13 185 872

Calculation of surrender of surplus provision - 2024/25

Cash and cash equivalents	27 793 311	-
Less: current liabilities	(16 112 935)	-
	11 680 376	13 185 872

The surrender of surplus of R13 185 872 relates to 2023/24 surrender of surplus per National Treasury's outcome letter.

Surrender of surpluses

The Commission annually declares all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits.

The Commission surrenders for re-depositing into the relevant Revenue Fund, all surpluses that were realised in a particular financial year

14. Revenue from exchange transactions

Interest revenue

Interest received	1 691 107	2 463 469
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15. Surrender of surpluses

Surrender of surpluses	(11 680 376)	(13 185 872)
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16. Loss on derecognition of assets

Intangible assets	(7 077)	(149 413)
Property, plant and equipment	(23 994)	(20 319)
	(31 071)	(169 732)

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Figures in Rand	2025	2024
17. Revenue from non-exchange transactions		
Operating grants		
Government grant	60 266 000	59 084 000
18. Employee related costs		
Basic	17 339 076	19 549 306
Backpay	359 641	1 570 328
Medical aid	863 412	964 741
UIF	48 601	61 675
Pension Fund	896 800	1 033 183
Provident Fund	1 136 414	1 336 822
Leave pay provision charge	423 650	130 756
Acting allowances	91 576	241 095
Travel allowance	402 400	346 938
Cellphone allowance	459 050	511 646
Cost of living provision charge	-	(699 060)
Other personnel costs	147 499	50 270
Termination benefits	1 772 433	1 095 755
	23 940 552	26 193 455
Other personnel costs relate to staff welfare and study assistance costs which are associated with employment.		
19. Depreciation and amortisation		
Property, plant and equipment	778 801	604 904
Intangible assets	21 092	68 184
	799 893	673 088
20. Finance costs		
Finance leases	6 670	11 581
21. General expenses		
Advertising	68 758	-
Auditors remuneration	4 268 097	2 912 759
Bank charges	33 666	36 305
Cleaning	-	25 369
Consulting and professional fees	5 374 288	2 787 813
Insurance	16 494	113 895
IT expenses	401 539	548 291
Printing and stationery	308 022	334 605
Software expenses	957 725	756 402
Subscriptions and membership fees	23 850	909 958
Telephone and fax	9 100	-
Travel - local	2 275 386	2 918 774
Rates and taxes	858 610	887 330
Water & electricity	980 301	550 074
Recruitment fees	2 119 361	57 553
Office rental	6 720 533	7 613 339
Workshops and meeting costs	309 091	80 489
Office relocation cost	290 463	392 271
Other office operating cost	531 961	820 782
Commission and Committee costs	278 817	705 802
Other expenses	256 654	167 672
	26 082 716	22 619 483

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
22. Cash generated from (used in) operations		
Deficit	(584 171)	(1 590 466)
Adjustments for:		
Depreciation and amortisation	799 893	673 088
Loss on sale of assets	-	284 723
Loss on de-recognition of assets	31 071	169 732
Surrender of surplus	-	13 185 872
Movements in operating lease assets and accruals	43 231	299 329
Movements in provisions	(1 281 546)	(25 493 509)
Changes in working capital:		
Receivables from exchange transactions	194 290	2 056 896
Prepayments	(938 593)	-
Payables from exchange transactions	(62 547)	170 877
Taxes and transfers payable (non-exchange)	13 185 872	-
	11 387 499	(10 243 458)

Financial and Fiscal Commission

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
23. Financial instruments disclosure		
Categories of financial instruments		
2025		
Financial assets		
	At amortised cost	Total
Cash and cash equivalents	27 793 311	27 793 311
Deposit	1 041 218	1 041 218
	28 834 529	28 834 529
Financial liabilities		
	At amortised cost	Total
Finance lease obligation	16 421	16 421
Trade and other payables from exchange transactions	1 440 671	1 440 671
	1 457 092	1 457 092
2024		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	194 290	194 290
Cash and cash equivalents	16 470 245	16 470 245
Deposit	1 041 218	1 041 218
	17 705 753	17 705 753
Financial liabilities		
	At amortised cost	Total
Finance lease obligation	64 433	64 433
Trade and other payables from exchange transactions	1 503 216	1 503 216
	1 567 649	1 567 649

Financial and Fiscal Commission

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

24. Related parties

Related party balances

2025	Fees for service	Electronic communication allowance	Total
Mr. M Sachs	-	33 000	33 000
Prof. L Erasmus	59 764	18 000	77 764
Prof. T Fowler	11 046	31 093	42 139
Ms. E Rockman	-	33 000	33 000
Ms. M Ngqaleni	-	18 000	18 000
Ms. M Letsatsi	-	9 000	9 000
	70 810	142 093	212 903

2024	Fees for service	Salary	Electronic communication allowance	Total
Mr. M Sachs	-	-	36 000	36 000
Prof. L Erasmus	51 574	30 639	33 000	115 213
Prof. T Fowler	55 081	39 826	33 000	127 907
Ms. E Rockman	109 945	44 742	36 000	190 687
Prof. A Mokadi	14 058	76 620	-	90 678
Ms. N Khabutlane	32 802	21 893	12 000	66 695
	263 460	213 720	150 000	627 180

Mr. S Kholwane was a Commissioner during the 2024/25 financial year. There were no transactions made to him during the current year (2023/24 - no transactions).

Management

2025	Salary	Electronic communication allowance	Backpay	Acting allowance	Total
Dr. PN Mbava, Chairperson	1 769 431	42 000	140 207	-	1 951 638
Ms. A Maharaj-Dowra, Head: Office of the Chairperson	1 351 113	36 000	-	91 576	1 478 689
Mr. DT Ntuli (Chief Executive Officer)	805 981	36 000	-	-	841 981
Mr. M Vokwana (Chief Financial Officer) - effective 01/09/2024	619 136	21 000	-	-	640 136
Ms. Violet Matshidza (Chief Financial Officer)- resigned 31/08/2024	387 400	12 000	-	-	399 400
Mr. C Tseng Executive Manager: Research	1 182 570	36 000	-	-	1 218 570
	6 115 631	183 000	140 207	91 576	6 530 414

2024	Salary	Electronic communication allowance	Backpay	Acting allowance	Leave pay	Total
Dr. PN Mbava, Chairperson	1 918 351	42 000	110 529	-	-	2 070 880
Ms. A Maharaj-Dowra	1 617 281	36 000	85 373	134 123	-	1 872 777
Mr. C Tseng Executive Manager: Research	1 444 659	36 000	79 507	106 972	-	1 667 138
Mr K Mviko (Chief Financial Officer)	605 416	15 000	86 248	-	86 998	793 662

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Notes to the Annual Financial Statements

Figures in Rand						2025	2024
24. Related parties (continued)							
Tebogo Matabane (Chief Financial Officer)	57 364	11 621	-	-	-	-	68 985
	5 643 071	140 621	361 657	241 095	86 998		6 473 442

25. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2024

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment	3	1 809 799	(20 320)	1 789 479
Provisions	13	(17 569 410)	3 531 284	(14 038 126)
Accumulated surplus		(500 239)	(4 204 124)	(4 704 363)
Prepayments	8	170 712	614 378	785 090
Other accrued expenses	6	(500 476)	78 902	(421 574)
		(16 589 614)	-	(16 589 494)

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Restated
Depreciation and amortisation	19	(822 471)	149 383	(673 088)
Loss on derecognition of assets	16	-	(169 732)	(169 732)
Surrender of surpluses	15	(13 985 903)	800 031	(13 185 872)
Consulting and professional fees	21	(2 866 715)	78 902	(2 787 813)
Office rental	21	(8 141 189)	527 850	(7 613 339)
Other office operating expenses	21	(829 254)	8 473	(820 781)
Rates and taxes	21	(965 385)	78 055	(887 330)
Surplus for the year		(27 610 917)	1 472 962	(26 137 955)

26. Risk management

Financial risk management

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

The Commission's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Commission's financial performance. The Commission uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the Commission. The Commission treasury identifies, evaluates and hedges financial risks in close co-operation with the Commission's operating units. The Commission provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Financial and Fiscal Commission

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Figures in Rand	2025	2024
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26. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Commission treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Commission's risk to liquidity is a result of the funds available to cover future commitments. The Commission manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Commission's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	1 439 566	1 104	-	-
Finance lease obligation	16 421	-	-	-
At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	1 503 216	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Commission only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial instrument	2025	2024
Receivables from exchange and non exchange	-	194 290

Market risk

Interest rate risk

The Commission has cash and cash equivalents placed with financial institutions and is therefore exposed to the interest rate fluctuations.

27. Going concern

We draw attention to the fact that at 31 March 2025, the Commission had an accumulated surplus of R4 120 192 and that the entity's total assets exceed its liabilities by R4 120 192.

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

The ability of the Commission to continue as a going concern is dependent on the continued government support through annual appropriation through National Treasury. The Commission will make a submission to request approval from National Treasury to retain part of the surplus.

28. Irregular Expenditure

Irregular expenditure	-	264 653
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Figures in Rand	2025	2024
29. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net deficit per the statement of financial performance	(584 171)	(1 590 466)
Adjusted for:		
Actual amounts not on cash basis	(31 071)	(434 136)
1. Over collection in revenue	170 107	(1 201 469)
2. Budget remaining in employee costs	9 609 447	(7 474 726)
3. Budget remaining in professional services	-	(1 958 527)
4. Overspending in operating expenditure	1 734 284	293 290
5. But remaining in fixed assets	-	(395 215)
6. Surrender of Surplus	11 680 376	13 185 872
Net surplus per approved budget	22 578 972	424 623

The budget and accounting bases differ. The annual financial statements of the Commission are prepared on an accrual basis using classification based on the nature of expenses in the statement of financial performance. This differs from the budget, which is approved on cash basis.

To explain the few significant variances which are on the cash basis:

- There was a slow progress in capacitating FFC with staff, the resignation of some staff members and contracts of the interns were coming to an end in this financial period; as a result there was a significant decrease in employee related costs.
- Expenses went down by over a million because of reducing costs in line items like the travelling expenses.

FINANCIAL AND FISCAL COMMISSION

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**For an Equitable Sharing
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